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ABSTRACT

The module is designed to give students a comprehensive picture of housing and how to get dollar value when in the housing marketplace. Further, the module acquaints students with the work that Federal, State, and local government is doing in the housing field and how they and their families can benefit from government help. As a result of using the module, students should: become familiar with the kinds of housing available; learn how to meet their housing needs; choose the kind best suited to meet their needs; learn about mortgages and obtaining loans; recognize the impact of economic conditions on the housing market; learn the procedures for selling a house; learn about the government's role in developing housing needs; become familiar with the operation of cooperative and condominium housing; learn about mobile homes; and make judgments about housing based upon sound information and their own value system. Each of the 52 units is headed by a question, to which the answers are presented under the headings of: understanding, suggested pupil and teacher activities, and source. (Author/NH)

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HOUSING

one of a series of expa[illegible] programs in
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EDUCATION

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The University of the State of New York
THE STATE EDUCATION DEPARTMENT
Bureau of Secondary Curriculum Development
Albany, New York 12234

H O U S I N G

One of a series for Expanded Programs in Consumer Education

The University of the State of New York/The State Education Department
Bureau of Secondary Curriculum Development/Albany/1974

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FOREWORD

In 1967, the State Education Department published "Consumer Education - Materials for an Elective Course." This material has since been introduced into more than 800 of the New York State high schools. As a result of the interest in Consumer Education in the State and Nation, the Department has begun the preparation of a series of modules — Expanded Programs of Consumer Education. This module, Housing, is the 17th to be produced. Those already distributed are:

Consumer Issues and Action
Consumer Problems of the Poor
The Consumer and His Health Dollar
The Consumer and Recreation
Education and the Consumer
The Consumer and Transportation
The Consumer Looks at His Automobile Insurance
Beauty Products and the Consumer
Taxes and the Consumer
Credit and the Consumer
Coping With the Problems of a Technological Age
Travel and the Consumer
Law and the Consumer
Food: Facts and Fancies
Cars, Cycles, and Consumers
Consumer Concerns

It is expected that another module will be produced in the field of Banking.

Nothing touches the lives of the disadvantaged more than the constant struggle to stretch limited financial resources to meet the increasing costs of living. These modules are designed in the hope that they will help the poor to make better use of their income, as well as with the expectation that those of higher income will be more understanding of their own problems and of the problems of their fellow citizens.

Unlike the original syllabus, where 12 units covering various phases of Consumer Education were bound together, the modules in Expanded Programs of Consumer Education are being published as separate publications to provide greater flexibility. Each of the modules in the series may be used as a discrete unit or with other units in the series. The modules may be presented as a semester or part of a semester course or in conjunction with the original syllabus which covers such areas as the purchase of food; shelter; appliances; automobiles; and a consideration of credit; money management; fraud, quackery, and deception; banking and savings; life and health insurance; security programs; and consumer law.

It is hoped that the presentation of the modules as separate publications will tend toward flexibility in their use as mini-courses in such fields as social studies, business education, home economics, industrial arts, agriculture, and other areas of the curriculum.

The suggestions to the teacher found in "Consumer Education — Materials for an Elective Course," pages 1-4, apply equally to each of these modules. The reaction and suggestions of those using these materials in the field will be helpful to the Department in planning further materials for Consumer Education and in making necessary revisions of the material.

Robert Feldman, assistant principal of Central Commercial High School, New York City, developed the module.

Hillis K. Idleman, associate in secondary curriculum development, prepared the module for publication.

GORDON E. VAN HOOFT
Director, Division of
Curriculum Development

One measure of man's upward movement is his choice of shelter

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INTRODUCTION

Housing is one of man's basic needs and its cost represents the single largest expense in the budget of most individuals and families. It is estimated that up to 30 percent of total income is spent by most people to meet their shelter needs.

Since the end of World War II, housing to meet the needs of low and moderate income families has been in short supply. This shortage, according to most authorities, will get worse with each passing year. Former Governor Rockefeller stated in an address, "Probably no problem facing the state and the nation is more serious than the lack of adequate housing." Not only does a housing shortage exist for Americans earning moderate and low incomes; 1970 census figures show that 7 percent of our population live in substandard housing. Despite the usual accuracy of census figures, housing experts feel the figure is much higher; none claim it is lower.

Since it is apparent a housing crisis exists, a module dealing with housing should receive priority consideration in a consumer education course. In a few years the students sitting in your classroom will be in the market for housing. As they grow older their living patterns will change, and with these changes there will be changes in the nature and amount of housing space required.

This module is designed to give students a comprehensive picture of housing and how to get dollar value when in the housing marketplace. Further, the module will acquaint students with the work that government, Federal, state and local, is doing in the housing field and how they and their families can benefit from government help.

To insure pupil understanding, the teacher should feel free to expand and supplement units in the module. The teacher should become familiar with housing problems in the community, and these problems should become part of the classroom discussion. It is also important for the teacher to keep abreast of economic conditions, as these will have an effect on the kinds of housing available and its cost. For example, as this is being written, mortgage money is very scarce, mortgage interest rates are very high, and construction costs are skyrocketing. All these factors are making it very difficult for people to buy or sell houses. These economic conditions are also having an adverse affect on apartment rentals and cooperative and condominium sales. Should economic conditions change, the teacher must be ready to make adjustments in the module and state the facts as they exist when the module is being taught.

As a result of using the module, class discussion, and other activities students should

. become familiar with the kinds of housing available

. learn how to go about meeting their housing needs

- be able to make a choice of the kind of housing best suited to meet their needs
- learn about mortgages and how you go about obtaining mortgage loans
- recognize the impact of economic conditions on the housing market
- become familiar with procedures to follow when selling a house
- learn about the role of government in developing the housing needs of the community
- become familiar with the operation of cooperative and condominium housing
- learn about mobile homes
- make judgments about housing based upon sound information and their own value system.

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
WHERE CAN THE CONSUMER FIND HOUSING?		
. Housing is available in limited supply in areas including - large cities - surburban communities - small cities, towns and villages - rural areas	. Point out that an urban area can be a small town as well as a large city. The U.S. Census Bureau classifies each place with 2,500 population or more as an urban area. . Use a map of the state to show the location of various large cities, surburban areas of the cities, smaller cities and towns, and rural areas. Discuss the effect of urban sprawl on rural areas. . Census figures show the percentage of people living in towns of less than 50,000 has increased by 50 percent since 1920. Ask students for their opinion as to why the small towns, not the large ones, are growing. . In schools located in smaller urban areas poll the class to find out how many students live in a rural area. Have them discuss the advantages and disadvantages of rural living. Set up a debate and have students who live in the town debate the	. Weaver, Robert C., "The Urban Complex," Doubleday and Company. New York, 1964, pp. 1-4 . In a magazine, "Challenge" published by the U.S. Department of Housing and Urban Development, November, 1973, it is reported that "Our intensive and consumptive use of land is expected to escalate dramatically in the next 27 years... The equivalent of every school, pipeline, power-plant, office building, airport, shopping center, factory, home and highway that has been built during our first 200 years may have to be matched to accommodate population and market demands projected for the year 2000... Some conservative projections for land use...are: (1) 10.7 million acres may be consumed by urban sprawl... (2) 3.5 million acres may be paved over for highways and airports... (4) five million acres may be lost to agriculture for public facilities,

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	students who live in the rural areas about the relative merits of urban versus rural living.	second home developments, and waste control projects."
WHAT ARE THE ADVANTAGES OF LIVING IN LARGER URBAN COMMUNITIES?		
. Mass transit facilities	. Have students prepare a list of mass transit facilities in their community. Have them include, in the listing, the present cost of using the facilities and the prospects of the costs remaining at the present level during the coming months.	. Wilson, James Q., "The Metropolitan Enigma," Doubleday and Company, Inc., New York, 1970
. The proximity of schools, shopping areas, houses of worship, and parks	. Have students complete the chart below: Place student lives: Facility — Distance From Home School Church Shopping area Fire hydrant Firehouse Police station Park Movie house Theatre Museum . What conclusions can be drawn from this study?	
. Public and utility services are readily available	. What problems are created if public and utility services are not available?	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
. Easy access to cultural and entertainment facilities	. How important is easy access to cultural and entertainment facilities? . What other considerations should be added to the list of advantages of urban communities?	
ARE THERE PROBLEMS OF LIVING IN LARGER URBAN AREAS?		
. The problems of urban living include		
- traffic congestion	. Have students who live in larger urban areas discuss the effect of traffic congestion on their traveling to and from school.	. Meyer, Cain and Wohl, "The Urban Transportation Problem," Harvard University Press, 1965. Chapters 3, 4 and 5
- water, air and noise pollution	. Have students check with local government agencies to determine antipollution laws that are in effect in the community. From their own observation how effective is the enforcement mechanism?	. The late President Johnson in his Natural Beauty Message to Congress in February, 1965 said, "The uncontrolled waste products of our technology are menacing the world we live in, our enjoyment, and our health."
- increasing crime rates	. It should be pointed out that crime in surburban areas and smaller cities, and villages, is on the increase as well.	. In an article, "Urban Crime," Prof. Marvin E. Wolfgang of the University of Pennsylvania cited police statistics that indicate urban areas have higher crime rates than rural areas and the rate of serious crimes per 100,000 population appears to increase with the size of the community.

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
- decline of mass transit systems	. Where a community has a mass transit system, have the students discuss the caliber of service available and what can be done to improve the existing service. Draft a letter with suggestions for improvement and mail it to the local transit authority. Consider that improvements will have to be paid for either by higher fares or taxes.	
- deterioration of housing	. Where feasible, have students tour inner city areas to observe the general condition of the housing. What causes housing in such areas to deteriorate so fast? What effect do tax patterns have on such deterioration? What steps are cities taking to halt the pattern of deterioration? What further steps should be taken?	. The Mayor's Rent Control Committee of New York City stated the following in its report to the Mayor of New York City: - The total rental housing inventory in New York City is less than in 1969 - The number of buildings demolished or abandoned is increasing at an accelerating rate. - The number of housing units classified as substandard has increased.... - New residential construction, both private and public, has declined to the lowest level since World War II.
WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF RURAL LIVING?		
. The advantages of rural living include		

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
- possibility of less air, water and noise pollution	. Ask students who live in rural areas to check local streams, rivers, and lakes for signs of pollution. Where a school services urban and rural areas, conduct the following experiment. Have a student who lives in a rural area use a tape recorder to tape the sounds heard between the period 6:00 to 6:05 P.M. Have a student who lives in an urban area do the same thing. Compare the tapes and discuss the levels of noise heard and their effect on everyday living.	. In a magazine article, "The Importance of Human Environments" it is pointed out that research has shown that excess noise can affect the nervous, endocrine, and reproductive systems. There is also a belief that it may damage unborn children. Forum Magazine, Fall/ Winter, 1974
- psychic satisfaction	. One of the hardest things to describe is the feeling of pride and joy some people feel in owning a piece of of land where they have elbow room to do as they please without neighbors peering at them. Ask pupils who live or have visited in rural areas to describe this feeling.	
- lower crime rates	. Have students check with the local sheriff's office for information on crime rate figures in urban areas and rural areas serviced by the sheriff's office.	
- visual beauty	. What is the worth of a beautiful sunset or sunrise in the country? Are such manifestations of nature as apparent in the city?	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
- the cost of living is usually lower - feeling of community pride	. Why are the costs of services lower in rural areas? Are there some services that cost more? . Why is it easier to develop a feeling of community pride in a rural area? . Is it possible that a sense of community pride develops out of a need for each to help the other which might not be true in the city?	. Many rural dwellers enjoy a sense of community solidarity not felt by urban dwellers. While each lives a free life, in time of emergency (fire, illness, death) they usually find an out-pouring of genuine interest and help from neighbors. Perhaps because they lack urban services, they feel more strongly the need to help each other in times of stress.
. The disadvantages of rural living include		. Price, Irving, "Buying Country Property," Harper and Row, New York, 1971
- lower salary scales and gross income	. What would some of the reasons be for lower salary scales in rural areas? Have your students attempt to answer this question.	. In his book "Buying Country Property," Mr. Irving Price points out the cost of living in rural areas is less than in urban areas but so are the salary scales.
- fewer educational institutions	. Have students who live in rural areas indicate the distance they must travel to and from school every day.	
- no mass transit system available		
- increased cost of commuting by automobile because of the higher cost of fuel.	. Discuss the impact of the energy crisis and the resulting high cost of gasoline on the rural commuter. Do students feel the	. According to a report by Dr. Dorothy Newman, senior associate of the Washington Center for Metropolitan Studies, rural families

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	high cost of gasoline is justified? What alternatives to the automobile might they suggest the rural commuter use?	earning less than $5,000 a year spend as much as 25 to 40 percent of their incomes on cars, primarily to buy gas to get to and from work. She further reports that while only half the poor families have cars they use them almost entirely for work-related purposes.
WHO IS RESPONSIBLE FOR MEETING THE HOUSING NEEDS OF THE CONSUMER?		
. The Federal government, state government, and many local governments build public projects and offer financial assistance to private industry to build housing.	. Have students check in the community to determine which housing was built with public funds. Also check to determine which new housing in the community is being built with public funds.	. Write to the U.S. Department and Housing and Urban Development for listings of federally assisted housing.
- Wherever government, offers financial assistance the builder must conform to rules and regulations dealing with the renting or selling of housing.	. Write to the various agencies listed in the Source column and obtain information as to how you may qualify for housing in your community built with public funds.	. Write to the New York State Division of Housing and Community Renewal, Two World Trade Center, New York, N.Y. for a listing of state-assisted housing. . Write to New York City Housing and Development Administration 100 Gold Street, New York, N.Y. 10038 for a listing of city-assisted housing.
- Public funds are used to build rental and cooperative apartments.	. Make a comparison of rental costs in housing built with public funds and with private funds. . Compare the cost of purchasing a privately built cooperative with	. Write to Housing Authority in your community for listings of housing run by the authority.

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	a publicly assisted cooperative.	
- Income limits are in effect in all public housing and in housing built by private industry with government assistance.	. Check with a local public housing project built with government assistance for their monthly rental or carrying charges. Based on this information calculate the income limits for a family of three persons; a family of four persons.	. Developments built under the Mitchell-Lama (Limited Profit Housing Companies) Law of New York State restrict gross annual income for a family of three persons to a maximum of six times the annual rent or carrying charges in cooperatives. For a family of four or more persons the limit is seven times the annual rent or carrying charges.
- Families earning more than the income limits are not eligible for public housing or government-assisted private housing.	. Contact the local housing authority and find out what procedures are in effect to check the income of a family interested in living in publicly assisted housing.	. In the Redevelopment Companies program the formula is eight times the annual rent or carrying charges. . For more detail on income limits write to the agencies listed on page 9.
- If earnings increase while living in a publicly assisted project and family income exceeds the income limit for the apartment, the family is required to pay a surcharge.	. Invite a representative of the local housing authority to visit the class to discuss the housing being provided by the community. Ask for details on eligibility and how to apply for housing in the public sector.	. Investigate steps your community may have taken to sell run-down housing for a nominal sum (in some cases as low as $1) in return for a pledge of the new owner to fix it up and restore it to the tax rolls.
- A surcharge is a charge above and beyond your annual rent or carrying charges.	. Write to the local housing authority and obtain information on the formula used to determine a surcharge.	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
- Surcharge payments are due once a year and can be paid in a lump sum or in monthly installments.	Set up a number of problems and have students calculate the surcharge in each case.	
- When income limits are exceeded in public projects the family may be required to move.	. Have students check with the local housing authority for its policy on families whose income exceeds the legal limit in a public project.	
. Private industry provides most of the consumer's housing needs.		. In the November, 1973 issue of the HUD Challenge, a magazine published by the U.S. Department of Housing and Urban Development it was reported that of the 2,378,500 housing starts made in 1972 2,039,700 were non-subsidized.
. Housing built in the private sector includes high-rise buildings, walk-up apartment buildings, garden apartments, cooperatives, condominium and one-and-two family private homes.	. Explain the difference between the high-rise apartment and the walk-up apartment. Also indicate how a garden apartment differs from an ordinary apartment building. Discuss briefly cooperatives, condominiums, and private homes, since they will be covered in detail later in the module.	
. Private homes can be built as a single unit, (detached), semi-detached, or as an attached unit.	. Explain the difference between a detached and a semi-detached unit; between a semi-detached unit and an attached unit. Discuss the advantages of each type, and have students state their preference and the reasons for their choice.	

Our choice of shelter reflects our values in life.

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	. Note to the teacher: At this point you might want to take time to discuss the housing crisis that exists. At this writing the building of public projects and publicly assisted private housing is at a virtual halt. Further, housing starts in the private sector are expected to be below 2 million for the year 1974 (see figure for 1972 in source column at top of page). Have students discuss the housing crisis, the effect on their future, and what they would like to see done to improve the situation.	. For source information obtain a copy of the pamphlet, "Housing: a Nationwide Crisis" by Maxwell S. Stewart. It can be obtained from The Public Affairs Committee, 381 Park Ave., South, New York 10016. It is referred to as Public Affairs Pamphlet No. 495; the cost is 35 cents. In the pamphlet Mr. Stewart indicates the number of new houses required for the country through 1978 has been set at 26 million, of which 6 million should be for low-income and moderate-income families. The need in the New York City metropolitan area is estimated at 200,000 units a year for the next 30 years; only about 46,000 a year were built in the five years 1966 to 1970.
WHAT TYPE OF HOUSING IS AVAILABLE TO THE CONSUMER? . The choices open to the consumer include - rental apartments - house rentals - purchase of an existing home - purchase of a new house - building a home	. Ask students to check the real estate section of the local newspaper. Have them prepare sample listings for each type of living accomodation advertised. For each listing include the cost. What conclusions can be drawn as to the cost of the different kinds of housing available?	. "Money Management - Your Housing Dollar," Household Finance Corporation, Prudential Plaza, Chicago, Illinois, 60601 . Film: At Home-2001. Available from Modern Talking Picture Service Inc., 927 19th St., N.W., Washington, D.C. 20006. Free loan, 30 minutes, color. (continued)

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
- buying a condominium - purchasing a cooperative apartment		Presents possibilities of housing in the 21st century. Can be used to stimulate discussion on the types of housing available today.
- buying a mobile home	. Write to a dealer of mobile homes and obtain literature. Compare the physical layout of the mobile home with the layout of your living quarters. Determine student feelings about the possibility of their living in a mobile home.	
. Personal consideration is an important factor in making a choice of housing.	. Have students indicate the type of housing they would prefer. What are the reasons behind their choice?	
WHAT ARE GENERAL FACTORS TO BE CONSIDERED BEFORE CHOOSING A PLACE TO LIVE?		
. Monetary considerations are a prime factor to consider when making a choice of shelter.		
. How much to spend would be dependent upon yearly income, age of head of household, cash reserves, and future financial prospects.	. Point out to students the following general rules as to how much should be spent for housing: - A family should spend no more than two to two and one-half times its total annual income on housing. - Housing expenses should be limited to one week's pay out of each month's salary.	. In a pamphlet, "Selecting and Financing a Home," published by the U.S. Department of Agriculture, it is pointed out that to allow a flat percent of income for housing. does not fit every family because of differences in income and age of the head of the household. A survey made by the department shows spending for housing varies, as indicated on the chart below.

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE

(If inflation continues at a double digit rate some economists feel that the amount spent for housing should be reduced to two times total annual income.)

	Income after Taxes	
	Under $5000 Percent	Over $5000 Percent
Age of head		
Under 35	26	22
35 to 44	26	20
45 to 54	32	21
55 and over	39	15

. Selecting a location to satisfy housing needs is considered by many to be the single most important consideration.	. Before going into specific location factors to be considered, have the students list what they consider to be of prime importance in selecting a place to live.	
HOW DO YOU JUDGE A NEIGHBORHOOD?		
. In picking a neighborhood to live the location should be desirable now and it should look promising for the future.	. Discuss how prospects for the future of a neighborhood can be checked in advance. i.e.: prospects for changes in zoning regulations, availability of land for future development, etc.	
. Specific location factors to be considered include the accessibility of - schools - houses of worship - shopping areas - availability of transportation	. Have each student prepare a chart showing the location of all items listed and the distance from his home. Ask students to compare charts to determine which students live in what may be considered ideal locations.	. "Facts You Should Know About Buying or Building a Home," Better Business Bureau, Educational Division, Boston, Mass.

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
- hospitals - parks and playgrounds - recreation and entertainment facilities - employment centers.	. Survey local communities to determine transportation costs to the nearest centers of employment. Have students check with their families to find out how commuting costs compare to other expenses in the family budget.	. Cramer, Richard D., "The Choice is Yours," Consumers All, The Yearbook of Agriculture, US Department of Agriculture, Washington, D.C., 1965. This book may be available from your local Congressman, or will be found in the local library.
. Neighborhood characteristics to be considered include - general condition and appearance of neighborhood - condition of adjoining housing - condition of streets, include drainage and street surfacing - traffic conditions - presence of excessive smoke, odors, or fumes.	. Using a rating system of 1 to 5 (5 being the highest rating) have students rate their neighborhood. The rating sheet should also include monthly rental or carrying charges. Check to see if there is a correlation between what is being paid for housing and the condition of the neighborhood. . Contact the local Environmental Protection Agency for information on air quality in your community.	. "Consumer Education, Materials for an Elective Course," available from the State Education Department, The University of the State of New York.
. In choosing a neighborhood consideration has to be given to public utility services provided. These include		

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
- fire and police protection		
- garbage and rubbish removal schedules		
- snow clearance		
- utility rates	. It should be made clear that the cost of utilities will vary depending on the company servicing your community. Have students compare the utility rates charged in their community with the utility rates charged in neighboring communities and in the larger cities in the state.	
- zoning regulation.	. Emphasize that zoning regulations are as important to the apartment dweller as they are to the person living in his own house. Have students obtain from the local housing board the zoning regulations for their neighborhood. Have students compare zoning regulations to determine which neighborhoods are the most desirable.	. In a magazine article, "The Burger That's Eating New York" by Ms. Mimi Sheraton, New York magazine, August 19, 1974, the author shows how zoning regulations are important to the apartment house dweller.
WHAT DO YOU LOOK FOR IN RENTAL HOUSING?		
. Consumers can satisfy their housing needs by renting an apartment or a house.		. "Checklist for Apartment Hunters," Changing Times, January 1964, pp. 15-16
. Rentals may be available fully or partially furnished.	. Compare costs of fully furnished apartments and houses with those that are partially	. "The Smart Way to Pick an Apartment," Changing Times, October, 1964, pp. 27-31

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
. Most rentals contain no furnishings.	furnished or not furnished at all. Obtain information from classified ads in the real estate section of the local newspaper.	. "If you Have to Rent Out Your House," Changing Times, Feb., 1974, pages 51-52
. After monetary considerations, prime thought is given to location.		. See pages 15-17 for discussion on how to choose the best location
. Three areas to consider when looking for a rental are outside the building or house, inside the apartment building and inside the apartment or house.		. Levy, Feldman, Sasserath, "Consumer in the Marketplace," Pitman Publishing Company, New York, 1970. pp. 228-229
. A check of the outside of the building or house should include		
- character of the neighborhood	. Have students prepare a list of those things that could be used to judge the character of a neighborhood.	. Wilhelms, Heimerl, Jelley, "Consumer Economics," McGraw-Hill Book Co., pp. 338-340
- convenience of location		
- condition of building or house	. Ask students to appraise the condition of the building or house they live in. Have them indicate the criteria used.	
- exposure of rooms	. Discuss the importance of exposure of rooms, and the relation to comfort. i.e.; undesirability of bedrooms having a northern exposure.	
- safety conditions in the neighborhood	. How might safety conditions in a neighborhood be gauged? Discuss	. An audit of crime in New York City showed crime to be underreported as follows:

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	why police statistics may not give an accurate picture of crime rate in a community?	Auto theft and rape under-reported by 22 percent, larceny by 54 percent, robbery 90 percent and burglary 96 percent. Indications are that under-reporting is the case in most communities in the country. From "The Metropolitan Enigma" by James Q. Wilson
- privacy offered by location of the building		
- play areas for children		
- cleanliness of the neighborhood		
- parking facilities	. Discuss the importance of having parking facilities, especially in larger cities. Determine the average cost of parking in your community. Debate the question, "Should local government provide low cost parking for its citizens?"	. A recent law passed in New York City makes it mandatory for builders to set aside space to provide for tenant parking.
- sewage facilities.	. Why would it be a good idea to look over the neighborhood where you are considering renting during a heavy rainstorm?	
. A check of the inside of an apartment building should reveal		
- well lighted entrances and hallways	. Point out that good lighting can be a deterent to crime.	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
- cleanliness of hallways		
- location of fire escapes	. Emphasize that fire escapes are not usually found in high-rise apartment buildings and this could prove to be a problem during a fire. Indicate that fire escapes are not provided because such structures are fire resistant. This doesn't mean there won't be fires; it means the fire, in most cases, will not spread throughout the building.	. An article in the May 27, 1974 issue of New York magazine reported on the dangers of fires in high-rise buildings. The article can be a source of information for a discussion on the problems of fire and high-rise developments.
- laundry room facilities	. Why are laundry room facilities important in rental situations? Discuss the question of the location of the laundry facilities and why this could be a factor in making the decision to rent. (Note: This question could be related to safety since a good many crimes occuring in an apartment buildings take place in the laundry room.)	
- conveniences such as elevators and incinerators		
- security locks on entrance doors.	. Students who live in apartment buildings where there are security locks on entrance doors might check to see if other keys will open the door. What conclusions may be drawn from this experiment?	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
. A check of the inside of the apartment or house should include - conditions of walls, floors, windows, ceilings, and doors		. "Money Management - Your Shelter Dollar." Money Management Institute, Household Finance Corp. Prudential Plaza, Chicago, Illinois, 6060 60601
- location and number of electrical outlets	. Have students check each room in their home for the number of electrical outlets. Is the number sufficient? What do they consider to be an ample number of electrical outlets in different types of rooms?	
- cross ventilation in rooms	. Discuss how cross ventilation can help keep down electrical costs during the summer months and add to comfort.	
- adequate current to meet the needs of modern home appliances	. Invite a representative of the local power company to visit the class to discuss the power needs of the many high-wattage electrical appliances that are being used in homes today. As a result of the information provided during the talk have students check the appliances used in their home against the amperage available.	. A check of the fuse box in a home or apartments will show the amperage available in the home.
- ample storage area and closets	. Discuss how much storage space is considered to be sufficient in a home. Have students	. A six foot rod in a closet is considered satisfactory; a seven foot rod would indicate a more than adequate

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	measure closets and storage space in their home to see if the space alloted is sufficient.	supply of closet space in a room.
- condition of heating and plumbing facilities	. Invite a trade teacher or industrial arts teacher to visit the class to discuss what to look for to check the adequacy of heating and plumbing in a house or apartment.	
- amount of work space in kitchen	. Point out that in checking the amount of work space you must take into account the kinds of kitchen appliances you possess and whether or not they require storing on a counter top.	
- condition of windows, screens, blinds and shades		
- presence of a master TV antenna and/or cable television	. Point out that where a master TV antenna is present there may be an additional charge to be hooked into the master antenna. Why is a master TV antenna or cable TV important in outlying communities?	. For information on cable TV, write or contact the local company providing the service. Information on the cost and extra benefits to the user of cable TV can be obtained from the company and passed on to the students.
- type of and condition of appliances provided.	. Rental apartments and houses usually include, as part of the rental, the standard appliances found in most homes: stove, refrigerator and sink. It should be pointed out, however	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	that in some cities having rent control laws, regulations permit a landlord to charge a specified sum of money when a new appliance is placed in a dwelling. The extra sum is usually paid with the rent on a monthly basis.	
WHAT ARE THE ADVANTAGES OF RENTING AN APARTMENT OR HOUSE?		
. Rentals require no capital outlay.	. Discuss how a tight money market and high interest costs are putting the prices of homes out of reach of many families. Ask a local banker or real estate broker to visit the class to discuss renting versus buying under present market conditions.	. The National Association of Home Builders reported the average cost of a new house has spiraled nearly 20 percent during the past year.
. People who rent have greater mobility if there are changes in income or desires.	. Discuss with students their feelings about the need for mobility in their lives. Poll the class to find out how many moves their families have made in the past five years.	. On the average Americans move every five years.
. Housing expenses in rentals are generally fixed, making budgeting easier.		
. All obligations are over when the lease expires.		

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
. You usually have freedom from responsibility for repairs and maintenance.	. Have students who live in their own home report to the class on the amount of time spent on repairs and maintenance in the home.	. One to two percent of the cost of a home must be budgeted for maintenance costs.
WHAT ARE THE DISADVANTAGES OF RENTALS?		. "Consumer Education - Materials for an Elective Course," The State Education Department, The University of the State of New York, Page 70
. No equity in the property	. Explain what is meant by equity. Indicate the matter of equity will be discussed further in the section dealing with buying a home.	
. Instability of rent	. Discuss the impact of the increasing cost of fuel and other costs on the rent structure of apartments not subject to rent control laws.	
. Cost of improvements to the property are lost when you move.	.	
. No pride in ownership	. Discuss how pride of ownership is a vital factor when appearance of a property is concerned.	
. The price and quality is subject to housing availability.	. Discuss the law of supply and demand and its impact on rent. Point out that unless current trends change, the future will bring a severe shortage of rental housing and higher rents.	. In a report prepared by The New York City Rand Institute, it is pointed out there has been a net growth in the number of households, despite the lack of population growth. Couple this with a decline of new construction and the massive withdrawal of housing from the active inventory (especially

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
		in larger urban areas) and you have the primary reasons for a critical housing shortage.
. Renting may be more expensive over a period of years than owning a home.		. Assuming a house for sale and a rental house or apartment have an equivalent amount of space and/or other yardsticks of value, the chart below shows annual costs for the first ten years. (Equivalent figures have been used to make the figures valid.)

Year	Annual Rent	Annual Owner's Costs
1	$6200	$6960
2	6448	4965
3	6706	4303
4	6974	3975
5	7253	3780
6	7543	3652
7	7845	3561
8	8159	3495
9	8485	3444
10	8824	3404

Over a 10-year period, savings on owning versus renting come to $32,898, or an average of $3290 a year.
From a column by Sylvia Porter in the New York Post, June 26, 1974

HOW DO YOU FIND A RENTAL APARTMENT OR HOUSE?

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
. Classified advertisements	. Use an opaque projector to go over the rentals in the classified section of the local newspaper. Have students indicate which apartments appear to be suitable for a single person; for a newly married couple. A follow-up to this exercise may involve sending students to check on the rental so they can be rated according to the items covered on pages 14 through 22 of this module.	. Levy, Feldman, Sasserath, "Consumer in the Marketplace," Pitman Publishing Company, New York, page 231
. Family members, relatives, and friends	. Ask each student in class to check with family and friends for leads on apartment or house rentals. How many leads were generated by the class as a whole? Check selected leads against leads found in the classified section. Can any conclusions be drawn from this exercise?	
. Real estate agents	. Invite a real estate agent to class to discuss how the real estate agent operates with regard to rentals. Be sure he covers the fees charged for his services and who pays the fees.	. "The Family Real Estate Advisor," a booklet published by Simon and Schuster, Inc., 630 Fifth Avenue, New York, New York 10020
. Public agencies	. Point out that public agencies usually deal with housing for low-and-moderate-income families.	. For public rental housing in New York City, write to New York City Housing Authority,

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	. Check with local agencies for information on eligibility for the housing available.	250 Broadway, New York, N.Y. 10007 . Check local directories for the housing authority located in your community.
WHAT SHOULD YOU KNOW ABOUT THE LEASE?		
. A lease is a contract between the tenant and the landlord.	. Obtain a copy of a standard lease form and go over each item with the class. Ask students who live in rentals to check the lease for any unusual provision in the lease.	. Kuchler, Frances, "Landlord and Tenant," Rev., 3rd Edition, Oceana Publications, New York, 1960 . Wilhelms, Heimerl, and Jelley, "Consumer Economics, McGraw-Hill, New York, 1966 pp. 322, 334, 355
. A lease specifies the terms both parties agree to when a dwelling is rented. . The lease is a legal document and must be examined carefully before being signed. . Both landlord and tenants are bound by the provisions of a lease. . Information found in a lease should include - names of tenant and landlord - period of time for which lease is effective - description of premises to be leased - right of landlord to inspect apartment or house	. Secure "A guide for Renters." Note in October issue the 10 points regarding the landlord's rights in a typical lease. Ask pupils to study their families' leases to see how many of their families' leases contain these "danger sign clauses." . Using an actual lease compare the items covered in the lease with the points covered in the Suggested Learning Column.	. Wilson and Eyster, "Consumer Economics," South-Western Publishing, 1966 . "A Guide for Renters," Consumer Reports, October, November, and December 1974 issues

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
- amount of rent to be paid - date rent is due - who is responsible for maintaining the premises and decorating the apartment		. Landlords vs. tenants: Rules of the game are changing; Changing Times, May 1972
- amount of security required	. Discuss why a landlord usually requires the tenant to leave at least a one-month security deposit when a lease is signed. Be sure to indicate what happens to the security when the tenant decides to move.	
- details concerning subletting	. Explain the meaning of subletting.	
- provisions concerning the keeping of pets	. Many leases prohibit tenants from keeping pets in the house.	. There are a number of court decisions on record upholding the right of the landlord to prohibit the keeping of pets in rental apartments and houses.
- provisions concerning utilities.	. The cost of gas is usually included in the rental charge for an apartment. Some apartment rents include the cost of both gas and electricity. Discuss how much of a savings can be realized when both gas and electric are included in the rental charges. Make it clear that a lease for a house rental should not be signed until it is clearly indicated	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	who is responsible for heating and electric bills.	
WHAT CAUTIONS SHOULD RENTERS TAKE?		
. Do not leave blank spaces in a lease.	. Make it clear that the lease is a form of contract and all the rules that should be followed when entering into a contract apply to the lease.	
. The tenant should have an exact copy of the lease.		
. All changes should be written and initialed by both parties to the lease.	. Give examples of what could happen if blank spaces are left on a lease next to the amount of rent, the apartment number, or the day that the rent is due.	
WHAT ARE THE OBLIGATIONS OF TENANTS AND LANDLORDS?		
. Both tenants and landlords have moral and legal obligations to abide by the terms of a lease.	. Do leases seem to protect the owners more than the tenants? If so, what factors may have led to the development of modern standard leases?	
. In most communities the law requires tenants to		. "A Tenants' Primer," New York Magazine, March, 1971
- pay rent promptly	. Explain the kind of action the landlord can take if the tenant does not live up to his legal obligations, i.e., eviction.	
- tell the landlord exactly who lives in the apartment	. Point out there are health laws in effect limiting the number of people who may live in a given area.	. New York City law, for example, forbids sleeping in the kitchen or the bathroom.

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
- keep the apartment clean	. Have students check the local housing statutes for laws pertaining to the tenant's obligations	. "You and Your Landlord," a pamphlet available from the New York City Housing Authority, 250 Broadway, New York City.
- keep halls clear		
- refrain from using props to keep the corridor doors open or shut	. It should be made clear that the purpose of this law is to insure tenant safety in case of fire.	
- many leases require prior approval before subletting is permitted	. Why do some leases restrict occupancy to the original lessee?	
- some leases restrict occupancy to members of one family group	. Why do some leases restrict occupancy to members of one family?	
- repair damage caused by the tenant.		
. A landlord is required to		
- provide heat and hot water	. Find out what the law requires of the landlord with regard to the hours heat and hot water must be provided, also the temperature that must be maintained. Is the landlord entitled to collect rent even if heat or hot water are not provided due to a breakdown?	. In New York City hot water must be at least 120 degrees and provided between the hours of 6 a.m. to midnight; from October 1 through May 31; building temperature must be at least 68 degrees between 6 a.m. and 10 p.m., and 55 degrees between 10 p.m. and 6 a.m.
- provide janitorial service if the building is larger than a certain size	. Check with the local Department of Health to determine what laws apply to landlords.	. In a study conducted by the New York City Rand Institute it is reported that in many instances relations between landlords and tenants have

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
- provide garbage facilities - paint the apartment at specified intervals - refrain from interfering with the tenant's right of possession except to protect his property.	. Does the right to protect his property entitle the landlord to enter the tenant's premises even when the tenant is away?	deteriorated to the point of open hostility. A major reason for this comes about because of large rent increases where there is no rent control. Where rent control is in effect, the principal tenant complaint is that the landlord has reduced maintenance or building services, or has failed to remedy housing-code violations... The study further states there is evidence that tenants often create building violations in order to get rent reductions and landlords often resort to harassment in order to get tenants to move so new tenants can be charged a higher rental.
. Failure of the landlord to live up to his legal obligations may result in the tenant being granted a rent reduction.	. Invite a member of the local housing authority to visit the class to provide information on what the law expects of landlords and the penalties, to the landlord, for not fulfilling his legal obligations.	
WILL RENT CONTROL REGULATIONS APPLY WHEN YOU RENT AN APARTMENT?		
. Of the total supply of housing units in the state approximately 1.2 million units come under rent control regulations.		. "Program for Urban Growth, 1972-1973. A pamphlet available from the New York State Division of Housing and Community Renewal, Research and Information Bureau, 393 7th Avenue, New York, N.Y. 10001
. The bulk of rent controlled units, 1.1 million units are located in New York City; the balance are located in 101 muncipalities throughout the state.	. Check with the local housing authority to find out whether your community has rent control regulations in effect.	
. Under terms of the Vacancy Decontrol Law enacted in 1971, any rent controlled apartment which	. Indicate that to prevent landlords from harassing tenants into vacating their	. The vacancy decontrol law lasted for only a period of six weeks. At the end of the free market period

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
became voluntarily vacant on or after July 1, 1971 could no longer be subject to any control or regulation by the State of New York.	apartments the law includes stringent penalties, both civil and criminal against landlords guilty of harassment.	Federal controls went into effect. Under the Federal controls, increases were generally limited to 2.5 percent above the rent of comparable apartments which had been decontrolled and rented during the six weeks prior to the Federal control period.
. Under vacancy decontrol, the rent of tenants in residence was not affected but new tenants paid varying rentals.	. The critics of rent control claim that rent control prevents landlords from making a fair profit on their investment. Many tenant groups claim that rent control is the only way that many people can afford decent housing. Set up a committee to study the effects of rent control in the state and have them report their findings to the class.	
. Under terms of the Emergency Housing Rent Control Law, the state can remove rent controls from apartments in any muncipality when the rental vacancy rate exceeds five percent.		. "Advisory Bulletin - Key Points to the Emergency Tenant Protection Act of 1974," available from any Office of Rent Administration of the Division of Housing and Community Renewal
. The Emergency Tenant Protection Act of 1974 is the newest state law affecting rent control.	. Contact the nearest office of the State Housing Division of Housing and Community Renewal - Office of Rent Administration- for information on rent control in the state.	
WHAT CHOICES DOES A BUYER HAVE WHEN IN THE MARKET FOR A HOUSE?		
. The family in the market for a house can		. Film: "Revolution in our Times," available from Modern Talking Picture Service, Inc., 927 19th Street, N.W., Washington, D.C. 20006. 30 minutes, Black and White, Free Loan.
- purchase an existing house	. Have the students indicate their preference as to the type of house they prefer. What are the reasons for their choice?	
- purchase an already built new house		

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
- build a house		
- rent a house.		
SHOULD YOU BUY OR RENT A HOUSE?		
. To rent or buy is a decision influenced by		. "Should You Rent or Buy?" A pamphlet issued by the U.S. Department of Housing and Urban Development, Washington, D.C. 20410. Free
- financial considerations	. Why does the newly married couple usually settle for a rented home?	
- family size and space considerations	. Prepare a display showing how the housing needs of a family might change, from marriage through old age, as the size and needs of the family change.	. "Buying or Selling a House," U.S. News and World Reports, May 7, 1973, pages 57-59
- how the family feels about giving up its mobility	. Poll the class to determine the total number of moves made by the student's families during the past ten years.	
- a person's willingness to assume the responsibilities of the maintenance of a house and its grounds.	. Have a student whose family owns a house report on the various maintenance and ground chores he must perform on a regular basis.	
. The advantages of renting are		. Thal & Holcomb, "Your Family and It's Money," Houghton Mifflin Co., pages 148-152
- mobility is retained	. Discuss why people might want to retain their mobility.	
- expensive maintenance costs are avoided	. Visit local repairmen and obtain approximate costs for each of the following jobs:	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	- weekly maintenance of lawn of 2000 square feet - replacing a septic system - replacing a hot water heater - repairing a furnance with a damaged fire box - cutting down and removing a 60 foot high tree - repairing a broken water pipe What conclusions can be drawn from this survey?	
- upkeep and repairs are the problems of the landlord		
- you may have the option to buy at a later date.	. Point out that in some cases, especially where an owner wants to sell the house and he is having trouble finding a buyer, a person who rents may have an option to buy with part of the rent already paid going towards the purchase price.	
. The advantages of buying a home are		
- home ownership is an incentive to save and is a measure of economic progress		. "Buying a House - The Nine Most Common Questions," Changing Times, February 1966
- monthly mortgage payments may be less than rent for the same amount of space	. Check local classified ads for the monthly rent for a three bedroom home. Find out the average monthly charges for a three bedroom home and compare the costs.	. A study made comparing annual rent with annual owner costs showed that the annual owner costs exceeded the annual rental during the first year only. In each subsequent year owner costs went down and rental costs increased. The conclusion of the survey is

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
		that it is cheaper to rent than to buy if you will live in the house only for a year or so.
- interest payments and real estate taxes are deductible from income taxes	. If a person pays real estate and mortgage interest payments that amount to $1800 a year, how much taxes are saved if the person pays 26 percent of his salary for taxes; 30 percent; 36 percent?	. Write to the local office of the Internal Revenue Service and the New York State Department of Taxation for rules and regulations concerning the deduction of real estate interest on mortgage payment from Federal and state taxes.
- equity is being built with each payment	. Discuss the meaning of "equity" and explain how it builds as the mortgage on a home decreases. At this point discuss "sweat equity" and how the labors of the owner can improve the value of a property.	
- home ownership improves your credit rating and gives you greater opportunity to "trade-up"	. Explain the meaning of "trade-up." . Visit a local bank and pose the following hypothetical questions to the loan officer. - A person owns a home valued at $35,000. His equity in the house is $20,000. He wants to buy a new home costing $55,000. Under what circumstances would the bank issue a mortgage for $25,000? - A person has been renting a home for the past three years.	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	The rental is $275 a month. He is employed at the same firm as #1 above and makes the same salary. He wants to buy a $55,000 house. Under what circumstances would the bank issue the mortage? Present the answers to both questions to the class.	
- an investment in a home may stand up against changes in the economy better than other purchases.	. Investigate what has happened to the value of homes in your community during the past five years. Report your findings to the class.	. The National Association of Home Builders reported that the average cost of a new home spiraled nearly 20 percent to more than $41,000 during 1973-74. Under present conditions the value of such a house will increase with each passing year.
WHAT FACTORS ARE INVOLVED IN CHOOSING A HOUSE?		
. cost of the house	. It must be emphasized that buying a house involves the assuming of a long term obligation and a long term investment of money. Careful consideration of the family budget must be made before a house is purchased.	. For a chart on estimating a housing allowance obtain a copy of "Selecting and Financing a Home" from the U.S. Department of Agriculture. The chart is on page 15.
. location	. Why is it not wise to buy the best home on the block? What may changes in the neighborhood do to the value of your home? How might the family's happiness be related to the location of the home?	. Refer to pages 15-17 in this module for a discussion on choosing the proper location. . Schoenfeld & Natella, "Consumer and His Dollars," Oceana

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
		Publications. pp. 208-210.
. extra assessments that might be levied against the property for utilities to be installed . prospects of future assessments to improve the neighborhood such as for streets, sidewalks, sewers, and other improvements	. It should be emphasized that assessments against a house owner can add, greatly, to the cost of running the house. The question of assessments will certainly warrant discussion where the house being purchased is in a newly developed area of the community. . Check with the local housing authority to get an approximate cost, to a homeowner, for the installation of a new sewage system.	. "How to Buy a House in 5 Easy Steps," Changing Times, February 1973, pages 6-11
. insurance rates and water rates	. Point out that most communities charge for water used and the insurance rates for a community may vary from neighborhood to neighborhood. Invite the representative of a local insurance company to visit the class to discuss insurance coverage available and its cost.	. The local water authority can quote rates for water usage in a community. Water costs can run to $150 a year and higher.
. opportunities for employment	. It should be pointed out that if large distances must be traveled to get to work, there will be a large additional expense for travel that must be included in the budget.	. A report of the National Commission on Urban Problems reports an interesting paradox with regard to employment opportunities in suburban communities. The report showed that central cities increasingly are

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	. Survey the types of employment opportunities in the community in which the prospective home is located.	becoming white-collar employment centers while the suburbs are becoming the employment areas for blue-collar workers. This is ironical in view of the fact that low-paid blue collar workers, for the most part, (especially if they are minorities) live in the central city while white-collar workers are increasingly living in the suburbs.
. transportation facilities and commutation rates	. Have each student select an area in the community where he would like to own a home. Have them find out what transportation is available to get them to the nearest major employment area. Also have them determine the cost of transportation. If private transportation must be used have them determine the cost of using an automobile using 17 cents per mile as a means of determining cost. . Make the point that commutation rates will in all probability continue to rise and the prospective homeowner should keep this fact in mind. Since the end of WW II fares have gone up nearly 350 percent, and	Studies show the poor spend a greater portion of their income on transportation than higher-income Americans. To help the low-income consumer with his transportation problems the Office of Economic Opportunity instituted a transportion stamp program modeled after the food stamp program. Under the program, being tested in West Virginia, eligible parties can purchase transportation stamps that are good for all modes of transportation, public and private, so long as the carrier is willing to accept the stamps.

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	despite this rise, transportation industry profits continue to decline.	
. neighborhood characteristics		. Refer to page 16 in the module for a discussion on neighborhood characteristics.
. public and utility services available		. Refer to page 4 in the module for a discussion what to consider with regard to public and utility services.
. zoning laws	. Point out that zoning laws can be, and are frequently, changed. Have a student prepare a report on the zoning changes made in his community during the past twenty years. Discuss the effect changes in zoning regulations have had on the community as a whole.	
. school district	. The school district servicing a community is usually given close scrutiny by a family before they move into a community. Have students indicate what they would look for in a school for their children.	
. tax rate	. The primary source of school funds in many communities is realized from the proceeds of the real estate or property tax. Compare the tax rate in your town with a neighboring	. In a pamphlet, "Housing - A Nationwide Crisis," the author, M.S. Stewart, reports that the real estate tax in many areas is equivalent to a sales tax of

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	community. How would you judge the quality of the school systems in both communities? Is there any apparent correlation between the tax rate and the quality of the school system? Invite the local tax assessor to visit the class to discuss how the value of a house is determined for tax purposes. Also have him describe what has happened to the tax structure over the past ten years and what the situation appears to be for the future.	20 to 30 percent on housing. Mr. Stewart reports that if the real estate tax were cut to the same level as the sales tax (6 or 7 percent of rental value), another 10 percent of low-income families would be in position to purchase new housing.
HOW DO YOU FIND THE RIGHT HOUSE?		
. Check with real estate brokers and real estate advertising.		. "Wise Home Buying," from U.S. Department of Housing and Urban Development, Washington, D.C. 20005
. Inform friends and neighbors you are in the market for a house.	. Ask students to consult friends and neighbors to see if they know of any houses that are for sale. How many leads were generated by the class from this activity?	
. Take a Sunday drive or walk looking for houses for sale and model homes on display.		. Murray, Robert W., "How To Buy the Right House at The Right Price," Collier Books, New York 1965
. Keep a record of all houses you find attractive.		

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
SHOULD YOU BUY AN EXISTING HOUSE OR A NEW HOUSE?		
. New houses are generally built as part of a development forming a new community. Existing houses are mostly found in established communities.	. Generate a discussion as to which is more desirable: buying a new house in a new community with neighbors all starting out together or buying an existing house in an already established neighborhood.	. Statistics show that two out of every three buyers purchase a used house. . "Buying or Building a Home," a pamphlet available from the Better Business Bureau, Boston, Mass.
. New houses offer the benefits of modern construction methods while older houses were built to different standards.	. Invite a local building contractor to visit the class to discuss modern methods of construction as opposed to the kind of construction used in homes built 20 and 30 years ago.	. "FHA Quick Guide to Buying a Home," Superintendent of Documents, Government Printing Office, Washington, D.C.
. Lighting and electrical wiring in new houses will meet up-to-date building code specifications. . Maintenance costs for new houses are lower than for older houses.	. Check with a local electrical contractor to determine the cost of rewiring a three bedroom house.	
. The purchase of a new houses usually requires lower down payments than for older houses.	. Discuss how the owner's equity in an existing house usually requires a higher down payment on the part of the purchaser. . Check the classified ads and compare down payments required on new houses as opposed to older houses being sold.	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
. If the house is purchased before completion the builder may allow minor changes in design.	. It should be made clear that changes, if allowed by the builder, would not be any that required any major structural change unless the purchaser was willing to pay for the major changes.	
. Taxes on older houses are usually more stable than taxes on new houses.	. Discuss why the tax rates on older houses would remain more stable than on newly built houses. Be sure to point out the many improvements that must be made to the neighborhood in new developments.	. "How to Shop For an Older House," Better Homes and Gardens, October, 1966
. New houses can be landscaped according to your desires while older houses will have already been landscaped.	. Point out that the builder of a house usually puts in a lawn and possibly one or two trees and nothing more. The rest of the cost of landscaping is borne by the home owner. Have students visit a local nursery to obtain prices of various trees and shrubs that they might want as landscaping around a home they owned. What would they estimate to be the cost of landscaping according to their desires?	. "Landscape for Living," 1972, 416 pp. Price $3.50. Can be purchased from the Consumer Product Information Center, Public Documents Distribution Center, Pueblo, Colorado 81009 . Below are typical costs for normal home improvement jobs recommended by the National Home Improvement Council:
. A substantial sum of money for redecorating may be necessary in an older house.	. Contact a local home improvement firm and obtain approximate costs of putting a new kitchen	

Job	Cost Range
Replacing hot-air furnace	$700-$1000
Reroofing over asphalt shingles	$90-$125 per 100 sq. feet.
Residing house	$2400-$3500

continued

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	into a house; remodeling a bathroom; building a den in the basement.	

Job	Cost Range
Installing new tile shower	$1000
Remodeling kitchen cabinets	$1000
Dormer and new room 15 x 20 feet	$6000 to $9000
Adding 2nd story to one-story house	$12,000 to $18,000
Exterior painting	$1200 to $1800

. Schools, shopping centers, transportation and entertainment facilities are already available in communities with older houses.

. Older houses may be less salable than new houses.

HOW DO YOU JUDGE QUALITY IN A HOUSE?

. The house design should be attractive, practical and comfortable.	. Discuss the advantages of the different types of house design - split level, two story, ranch, house with or without basement.	. "What You Should Know Before You Buy a Home," a pamphlet available from the US, Savings and Loan League, 221 N. LaSalle Street, Chicago, Illinois
. Rooms should be of adequate size for the usual furnishings.	. Invite the owner of an older home to discuss possible construction faults to watch for.	. "How To Shop A New House," Better Homes and Gardens, Sept., 1973, 54-58
. Closets should be plentiful and big enough with at least six feet of rod space.		. "How to Buy A House in Five Easy Steps," Changing Times, February 1973
. Size and shape of the lot upon which the house is built should be adequate.		
. Construction features such as trim around windows, fit of windows and doors, insulation	. Have students examine their home or apartment to check on the following defects:	. "Buying or Building a Home," Better Business Bureau, Boston, Mass.

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
in attic, condition of roof and gutters, and number and placement of electrical outlets should be of good quality and adequate.	settlement cracks in foundation or walls; rot in wood girders or joists, water stains indicating leakage, low water pressure, flaking paint and poor drainage from the lot. What conclusions can they draw as to the construction or maintenance of their home or apartment?	
WHAT PRECAUTIONS CAN BE TAKEN BY THE BUYER TO INSURE HE IS RECEIVING VALUE FOR HIS MONEY?		
. If you are purchasing a new home it would be desirable to		. Hoffman, George, C., "Don't Go By Appearances - A Manual for House Inspection," House Book, Box 80, Corte, California. 94925. 1972, 88 pages. $3.00
- check the reputation of the builder	. Discuss how the prospective buyer can check the reputation of a local builder through the offices of the Better Business Bureau, the local bank, or other homeowners who used the builder's services. This is vital to any decision on buying a home since so many homeowners have trouble with builders who do not live up to their promises.	. Contact the local Better Business Bureau and have them send you the latest information on problems homeowners are having with local builders.
- engage an architect or professional engineer to inspect the house at various stages of construction	. Invite an architect to class to discuss what the architect looks for when he inspects a new house for a client. Also	. The local architectural society can provide information on architects available to visit the school.

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	have him indicate the usual fee charged for such services.	
- check to see that the house was built according to local building codes		. Information on local building codes can be obtained through the housing authority in the community.
- obtain details of the builder's guarantee and for how long the guarantee runs.	. Why would it be desirable to have details of the builder's guarantee spelled out in writing?	
. If you are purchasing an existing house it would be best to		
- engage the services of an architect or engineer to inspect the house.	. Explain how the cost of hiring a professional can more than offset the cost if the information provided indicates a house is not a good buy at the price because of extensive repairs required. Also indicate that an architect's or engineer's report could result in a lower price for a house because it does require major repairs.	. Appraisers are available in most communities who will inspect a house for a fee of approximately $75-$150. . "What You Should Know About Home Inspection Services," American Homes, November 1973, page 8
- Items to be inspected include condition of the basic structure, heating and plumbing systems, condition of appliances, and electrical wiring.		
HOW DO YOU GO ABOUT BUILDING YOUR OWN HOME?		
. The first step toward building a home is acquiring a site.	. Ask a real estate broker or builder how one locates a site. What are typical lots selling for in your community? Why should	. "Buy or Build a Home," Better Business Bureau of Metropolitan New York, 220 Church Street, New York

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	the lot be surveyed before purchase?	
. A site should be surveyed in advance of purchase.		. House Construction: How To Reduce Costs," Consumer Information, Consumer Products Information Center, Pueblo, Colorado. 81009. Guidelines for savings in location, style, interior arrangements, and in selection of materials and utilities
. A check should be made of the topography and slope of the ground.	. Point out that slope of ground is vital where water run-off is concerned. Also mention that the site should be checked during a heavy rain to determine what happens to water run-off. Low lying areas next to rivers and streams most definitely must be checked against the possibility of flooding.	. "Buy A Lot And Build A House?" Changing Times May 1969
. An examination should be made of the type of ground on the site.	. Indicate that excavation costs depend on the type of ground being excavated. The more difficult the excavation job the more expensive. Removal of solid rock will cost more than $1 per cubic foot. Wet land may not be suitable for building purposes.	. For information on soil, write for "Know the Soil You Build On." Available from Consumer Information, Public Documents Distribution Center, Pueblo, Colorado. 81009. Cost is 15 cents. Advice on how to choose suitable land for building.
. After land is acquired, it is necessary to obtain building plans.		. See the "Yearbook of Agriculture 1965" for building plans or contact the County Extension office for help.
- Building plans can be purchased from the government, or from publications dealing with housing such as	. Have students check through back issues of Better Homes and Gardens in the school library. Using class funds send away for one or two sets of	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
Better Homes and Gardens.	house plans. Go over the plans with the class to see if they meet the needs of the class as a whole.	
- An architect can be engaged to take your ideas and translate them into a practical working plan, or you can ask the architect to design a house for you.	. Contact a local architect and obtain information as to how the architect arrives at a fee for designing a house. Try to find out the average cost of the architect's services.	
- An architect can be hired just to produce a house plan; or his services can include the drawing of the plan, the hiring of a construction firm, and complete supervision of the building process once work is started.	. It should be made clear that the more work required of the architect the higher the cost of the services to the homeowner.	
. Other ways of building a house include		
- hiring a contractor or builder to build you a home using stock plans		. "Building a house with ready-made plans," Changing Times, December 1972
- buying stock plans and making arrangements with different contractors for different phases of the work.	. Indicate that buying stock plans and using different contractors to do the various jobs involved in building a house could result in savings for the owner-builder. It	. The U.S. Government has a number of publications available for people who decide to build their own homes. They also provide house plans for a minimal price. Some pamphlets

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	should be made clear, however, that the owner-builder will have to spend many hours finding people to do the work, and in addition it will be his responsibility to obtain all the necessary permits, purchase the necessary supplies, and supervise construction during the building process. Ask students how they feel about arranging for the building of their own home. What misgivings, if any, might they have?	available are "Designs for Low-Cost Wood Homes," "Fireplaces and Chimneys," "Construction Guides for Exposed Wood Decks," "House Construction - How to Reduce Costs," "Low Cost Wood Homes" and "Wood-Frame House Construction." All materials are available from the Public Documents Information Center in Pueblo, Colorado.
WHAT CONSTRUCTION METHODS ARE BEING USED TO BUILD HOUSING?		
. Most houses are built using the traditional on-site building methods.	. Arrange for a field trip to a building site so students may see how homes are constructed. Try to arrange for a knowledgable person to explain what the students are seeing.	. Contact one of the larger well-known builders in the community to try to arrange the field trip. Before undertaking the trip, however, check to be sure the school's insurance coverage will cover such a trip.
. Building a house by conventional methods requires the purchase of building plans and the services of people in the construction field.	. Prepare a list of all components involved in the building of a new house from the excavation of the site to the final touches of painting and decorating.	. An article in the Albany Times-Union, August 18, 1974 reports that housing starts (the number of houses being built) is down below the 2 million level for the year. This is attributed to the tight money market and the soaring prices of construction.

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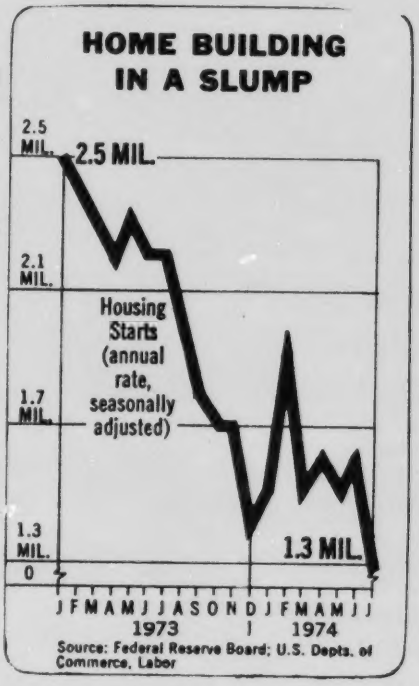
. The building industry has developed new methods of construction in the hope of ultimately reducing construction costs.		Prices on construction materials are increasing by leaps and bounds, and builders who might ordinarily build on the speculative market are reluctant to do so in these times.
. Pre-cutting is a relatively new method of home construction. - All lumber and other parts needed to construct a house are pre-cut at a factory and shipped to the building site. - At the site construction people assemble the parts following diagrams sent from the factory.	. Point out that almost 20 percent of the new homes being built this year will consist of parts pre-cut at a factory and assembled at the building site. . What are the advantages of buying a pre-cut or pre-fabricated house? What are the possible disadvantages?	. Contact dealers listed under "Houses Pre-Cut And Fabricated" in your telephone directory; write to one or more of them, explaining your project, and asking for sample floor plans and illustrations.
. Pre-fabricating parts of a house is another relatively new method of construction. - Pre-fabricating is a process where sections of the house, such as walls, floors, roofs and ceilings, are pre-cut and assembled at the factory. - The sections are then shipped to the site where they are put together.	. A house is basically a series of layers, consisting of an external wall covered with siding, a support wall of framing lumber, insulation, an inner skin of plaster or plaster board, and a wall covering. Why might it be more economical to have these layers assembled at a factory?	


HOME BUILDING IN A SLUMP
2.5 MIL.
2.1 MIL.
1.7 MIL.
1.3 MIL.
0
2.5 MIL.
Housing Starts (annual rate, seasonally adjusted)
1.3 MIL.
J F M A M J J A S O N D J F M A M J J
1973
1974
Source: Federal Reserve Board; U.S. Depts. of Commerce, Labor

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
. Building modules is a third method of construction being used. - A module is a completed section of a house. - The module, having three completed walls, is shipped to the building site where it is joined together with other modules to form the house. - Modules, when they leave the factory, are complete sections including appliances in kitchen sections, bathrooms, electrical outlets, etc.	. Point out that a module used in house construction is very similar to a mobile home. The only difference is that usually the module has only three walls. One wall is left out as this is where other modules, forming the house, will be joined. Levitt and Sons, one of the countries largest builders, turns out a modular unit that can be placed on a foundation or on wheels so it can be used as a mobile home.	. U.S. News and World Report states that a survey of the home building industry shows that 450 of the largest building firms in the country plan to put up 50 percent more modular and pre-fabricated housing in 1974. . One of the problems holding back rapid development of modular housing is the high cost of transporting the modules to the building site. To overcome this problem the Federal government is attempting to get states to adjust highway shipping costs for modular housing.
. Whatever the type of construction used, a foundation must be built for all homes. . All homes when completed must be hooked into existing power, water, and sewage lines. . Where water and sewage lines are not available the owner must dig a well and build a septic system to take care of wastes. . The use of newer methods of construction is expected to keep building costs within reason during the years to come.	. Point out that a major advantage of using pre-cut and pre-fabricated materials or modules is that it cuts down construction time. In the case of modular housing the homeowner can have a finished home in a few days time. . Contact the local building inspector. Are pre-fab houses permitted in your area? Why might local labor object to such housing?	

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HOW DO MOST PEOPLE FINANCE THE PURCHASE OF A HOME?		
. Most individuals finance a house purchase by borrowing money with a mortgage on the home given as security.		. "More For Your Money," a column written by Art Watkins. Family Circle, August, 1971
. Shopping for the best available mortgage can be as important as shopping for a good house. - Interest rates on mortgages will vary from lending institution to lending institution.	. Send selected students to different lending institutions in the community. Have them determine what the current interest charges are for home mortgages. . Make a bulletin board display to show the cost of borrowing money at various rates. With the average rates on mortgages now at 9 percent what would be the interest costs on a 30 year mortgage if $25,000 were borrowed?	. "Wise Home Buying," U.S. Department of Housing and Urban Development, Washington, D.C. 20005
. A mortgage requires that repayment be made in monthly installments. . Failure to make the mortgage payments can result in the lender taking over the property and the borrower losing the equity he has acquired.		
WHERE CAN YOU OBTAIN MORTAGE LOANS?		
. Loans are available from savings banks, commercial banks, savings-and-loans associations, mortgage bankers, and and insurance companies.	. Repeat the importance of shopping for mortgage money because the savings of 1/2 percent interest could amount to substantial amounts of money over the life of a mortgage.	. Statistics show that savings and loan associations account for by far the greatest number of mortgage loans, followed by commercial banks, savings banks, and life insurance companies.

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	. Obtain figures, from a firm advancing mortgage money as to how much interest must be paid on a mortgage of $20,000 for a period of 25 years at a rate of 8 percent; 8 1/2 percent; 10 percent; 12 percent.	. "Estimating Ability to Pay for a House," 1962 Federal Housing Administration Washington. D.C. 20402
. To assure the best mortgage terms the borrower should compare - the terms offered by the various lenders - the amount you can borrow	. Try to obtain from a bank officer the criteria used to determine the amount of money the bank will lend on a mortgage.	. The chart below shows what monthly payments will be for each $1000 borrowed at different rates of interest for different periods of time.

Interest Percent	Payment Period 10 yrs	20 yrs	30 yrs
7 1/2	$11.88	$8.06	$7.00
8 1/2	12.40	8.68	7.69
9	12.67	9.00	8.05
10	13.22	9.66	8.78

- the rate of interest to be paid during the life of the loan	. Point out that interest rates are constantly fluctuating and the rate quoted when shopping for a loan may not be the same when ready to close the deal for the mortgage.	
- number of years the mortgage will run	. Emphasize that the longer the mortgage runs the more that is being paid in terms of interest.	
- special service charges made for processing and granting a loan.	. Most lending institutions charge "points" and other fees	. Rep. Wright Patman (Dem.) of Texas feels that the home buyer gets stuck with some

Shop for a mortgage as you would for food

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	before a deal is closed. Points and fee closings will be discussed later in the module. . The average consumer is bewildered by the number of different ways of computing costs. The best way to compare them is to ask a number of banks and other leading institutions what the net cost is for a specific sum over a stated period of years; for example, what is the net cost to borrow $30,000 for a period of 30 years?	unnecessary and over-blown charges when purchasing a house. It is his contention that this prevents low and moderate income families from purchasing a home. Congress is looking into some bills that will control these costs.
WHAT ARE THE TYPES OF MORTGAGE LOANS AVAILABLE? . Various types of mortgage loan plans are available. These are the - conventional loan - VA (Veterans Administration) loan - FHA (Federal Housing Administration) insured loans - Farmers Home Administration loans	 Better housing is in sight for many	
. Conventional loans are made strictly between you and the lender. - This type of loan is the most common type used to buy	. Invite staff members or parents who have recently obtained mortgage loans to visit the class to discuss their experience while shopping for the loan.	. The chart below shows how much interest is being paid for a $20,000 mortgage over a 25 year period at varying interest rates.

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and build homes and is the easiest to obtain. - Conventional loans usually run for a period of up to 30 years. - The borrower can usually obtain as much as 80 percent of the value of the property including the house and the land. - Larger down payments are usually required with this type of loan. - Interest rates for conventional loans vary, depending upon the amount of the down payment, area in which the house is located, credit rating of the party making the loan, and economic conditions at the time of signing. - Banks use total income earned as a major basis in deciding how much of a mortage to grant.	. Invite a local bank officer to visit the class to discuss his bank's policy with respect to mortgages. Is mortgage money available? Are banks offering discounts to those with older-type, low-interest rate mortgages to encourage borrowers to pay up the balance due? Why would this be so? . Point out that banks require the larger down payment because there is no agency or firm that guarantees payment of the loan. Also indicate that economic conditions will dictate the size of the down payment required. In tight money markets, banks have been known to ask for a down payment as high as 40 to 50 percent before granting a mortgage. Discuss how this affects the chances of low and middle income families in the mortgage market. . Indicate that under terms of the 1974 Federal Housing law lenders must include all of a working	Interest / Total Interest Over 25 Years 6% $18,000 7% 22,390 7 1/2% 24,330 8% 26,280 8 1/2% 28,200 9% 30,220 9 1/2% 32,370 10% 34,460 . "Mortgage 'Bargains,'" National Observer, September 28, 1974, p. 8 . Mortgage loans at the time this is being written are very hard to obtain because of the tight money market. In addition, where mortgages are available, interest being charged is very high. Interest rates, as you know, vary and are dependent on economic conditions. Therefore, check with local lending institutions to determine the current interest rates being charged at the time you are discussing mortgages with your class.

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	wife's income when they calculate how much a working couple can borrow to finance a house purchase.	
. FHA loans are made by private lenders and insured by the Federal Housing Administration	. Make it clear to the class that the FHA does not make loans. The FHA only agrees to insure the lender against loss if the borrower fails to repay the loan.	
- With FHA insured loans the borrower can obtain up to 97 percent of the property value.	. Discuss why lending institutions will lend more money when the FHA insures a loan.	
- There is a maximum amount that will be insured by the FHA.	. Indicate that Federal law sets a ceiling on how much of a mortgage the FHA will insure. Point out the ceiling varies with the type of house.	. The 1974 Federal Housing Law under Section 203 has set the following ceiling on mortgage loans.
- To pay expenses and cover possible losses the FHA charges an insurance premium of 1/2 percent per year on the unpaid balance of the loan. This charge is included in the borrower's monthly payment.	. Make it clear that because the ceilings have been increased on mortgages the prospective buyer need not make very large down payments.	Size — Old Ceiling — New Ceiling One family — $33,000 — $45,000 Two family — 35,000 — 48,750 Three family — 35,750 — 48,750
- Since the FHA will insure loans up to 97 percent of the value of the property, the borrower can usually purchase a home with a smaller down payment.	Set up some examples showing how down payments differ. Point out that the fact lenders will accept smaller down payments with FHA insured loans has made it possible for low-income and moderate income families to purchase homes.	. Example: On a $48,000 single family home, the down payment under the old law would come to $15,000 (The maximum FHA insured mortgage was $33,000.) Under the new law the down payment need only be $3000.
- Interest rates that can be charged for a FHA insured loan are regulated by the FHA.		

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	. Check with the FHA to determine the maximum interest rate they will allow with an FHA insured loan.	. The present maximum rate on loans insured by the Federal Housing Administration and guaranteed by the Veterans Administration is 9 1/2%. The rate can change frequently (during 1974 it changed four times) so to find out the current maximum rate allowable contact the Federal Housing Administration and the Veterans Administration.
. Before agreeing to insure a loan, the FHA appraises each home to determine its value and to determine that it is structurally sound and does not present conditions that endanger the health, safety, and well-being of the occupant		
. Where owners cannot make mortgage payment on FHA insured mortgages, the FHA takes over ownership of the house and offers it for sale to interested home buyers. - For help in finding FHA owned houses, contact any real estate broker.	. Check with local real estate brokers to get a listing of FHA homes in the community that are for sale. Have students visit the houses and report back to the class on the condition of the property.	. "Anyone Can Buy an FHA-Owned House," a pamphlet put out by the U.S. Department of Housing and Urban Development. Available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Price, 5 cents.
. VA guaranteed loans are made to eligible veterans by private lenders.		. "To The Home Buying Veteran," VA pamphlet 26-6, Revised. Available from the Veterans Administration,

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		Washington, D.C 20420
. Before insuring a loan the VA will inspect the home to be purchased to determine value.		. "Pointers for the Veteran Homeowner," VA pamphlet 26-5 Revised. May 1971. Available from Veterans Administration. See address above.
. The borrower makes his own arrangements for the loan through the usual financial channels, and the VA then guarantees the lender against loss up to 60 percent of the loan.		
. There is no charge to WW II and Korean veterans for guaranteeing a loan; Vietnam veterans are required to pay a small fee, 1/2 of one percent of the amount of the loan.		
. The Farmers Home Administration offers housing loans to rural families who are able to obtain credit.	. Loans made by the Farmers Home Administration can be used to buy an existing house, buy a lot and build a home or build or repair a home on land already owned. Write to the Farmers Home Administration for more information on these loans.	
WHAT ARE SOME MORTGAGE TERMS YOU SHOULD KNOW?		
. Open end mortgage - gives the homeowner the right to request, at a future date, additional money from the lender for improvements or modernization of the home.	. Discuss the advantages of the open-end mortgage to the borrower.	. "Consumer in the Marketplace." Ibid, pp. 238-39 . "A Mortgage Banker Speaks to The Home Buyer." American Home, Summer, 1966. pp 44-5

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
. Package mortgage - permits the borrower to include cost of appliances, furnishings, and other equipment found in the house in the mortgage loan.	. Explain that this allows the borrower to pay for the cost of appliances over the life of the loan. To determine the cost of furnishing a new house have students shop for the following items to determine the additional cost over and above the cost of the house: Refrigerator, freezer, three 10,000 BTU air conditioners, washing machine, dryer, 50 square yards of carpeting, and garbage disposal unit. Is it wise to include the cost of such items which normally might be expected to last 15 years on a 30 or more year mortgage?	. "An FHA Guideline of Home Mortgage Payments," Federal Housing Authority, Washington, D.C.
. Prepayment privilege - a feature that allows the homeowner to make larger payments than required by the terms of the contract. By paying off the mortgage sooner, the borrower saves on the amount of interest to be paid.	. Some banks may charge a premium if you want to pay off the mortgage sooner. Discuss why banks might want to charge a person for paying off his debts sooner than he is required.	
. Deed - a legal paper transferring title of property from seller to buyer.	. Obtain a copy of a deed. Use an opaque projector to show the deed to the class and discuss the items covered in the deed.	
. Warranty deed - gives title to the buyer, and the seller warrants that he will defend title to the		

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
property against any outside claims. If at a later date it becomes clear the seller did not have clear title the buyer may sue for breach of warranty.		
. Quitclaim deed - gives the buyer whatever title the seller may have had and the buyer assumes any risks.	. Why is the warranty deed preferable to the quitclaim deed?	
. Title search - a method of checking the safety of title of a piece of property. It traces the history of ownership of a piece of property.	. Discuss why a title search should always be undertaken when property is being purchased.	. "Wise Home Buying." U.S. Department of Housing and Urban Development, Washington, D.C.
. Title insurance - an insurance policy that usually protects lenders against loss of their interest in property due to questions as to who has legal title to the property.	Check with a local insurance company to determine the cost of title insurance. Also point out that the borrower pays for the title insurance.	
. Equity - a buyer's initial and increasing ownership rights in a house as he pays off the mortgage	. Explain that when the borrower pays off the mortgage he has 100% equity in the house; that is to say that if the house is sold for $50,000 the entire sum belongs to the homeowner.	
. Earnest money - the deposit money given to the seller by the potential buyer to show that he is serious about buying the house.	. Why must some money be transferred before an agreement to purchase a home is binding? Why must the agreement be in writing?	. Until some money changes hands from buyer to seller no arrangement for sale is binding. The amount of earnest money may

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		be as little as $1 but normally is 10 percent of the purchase price.
. Escrow funds - money, or papers representing financial transactions, which are given to a third party to hold until the conditions of a contract are fulfilled.	. Why did consumers object to banks holding funds in escrow without interest? Banks must now pay 2 percent interest on such accounts. Should the interest be higher?	. "Home-loan escrow accounts: Service or Swindle?" Changing Times, July 1972 . Payments for taxes due are normally placed in escrow by the lending institution. They are paid in monthly installments to the bank, for example, which then pays the tax as it falls due annually.
. Mortgagor - the person who mortgages his property (the borrower) . Mortgagee - the person to whom mortgage is given (the institution lending the money)	. The terms mortgagee and mortgagor are often misleading to the public. The mortgagee is the lender, the person who is receiving the mortgage. The mortgagor is the person who owns the property and is giving the mortgage.	
. Closing costs - sometimes called settlement costs. They represent costs in addition to the price of the house. . Closing day - the date on which the title for the property passes from the seller to the buyer	. A discussion of closing costs will be made later on in the module.	
. Mortgage discount "Points" -	. "Points" will be discussed in the	

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a one time charge assessed by the lender to increase the yield from the mortgage.	section on Closing.	
WHAT ARE THE CLOSING COSTS YOU CAN EXPECT TO PAY WHEN YOU PURCHASE A HOUSE?		
. Closing costs are additional expenses paid by the buyer on the day the sale is finalized.		. "Buying a Home? Don't Forget Those Closing Costs," pamphlet available from U.S. Department of Housing and Urban Development. The pamphlet may be obtained from any HUD area office or HUD-FHA insuring office.
. Closing costs are all the charges and fees incurred in transferring ownership of the house, in processing the loan papers, and in taking the steps necessary to insure the lender is protected.	. Make it very clear that closing costs cannot be avoided and the prospective homebuyer should be made aware that closing costs can range to $1000 and more and this money must be paid, as a lump sum, by the buyer on the day the deal is closed.	. "How Do You Save on Closing Costs?" Mechanics Illustrated, June, 1973, pages 60-61
. Charges that are usually found on the settlement statement include		. In an article in "U.S. News and World Report," March 6, 1972, it is reported that many persons buying a home for the first time are shocked at the "extra" cash payments they have to make when they get ready to "settle." In addition to the price of the house and the sales commission, fees are levied on buyer and seller, or both, for things such as title search, title insurance, legal services, transfer of property, preparation of documents, notary services, transfer taxes, recording cost,
- title search	. Refer to page 59 for the meanings of these terms.	
- title insurance		
- attorney's fees	. Indicate that attorney fees are a matter to be discussed between the buyer and his attorney and the seller and his attorney. It is best to discuss these at time the attorney is retained.	
- survey fees	. Indicate that a survey is important as it gives you the exact boundaries of	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	the property. The cost of a survey is well worth it when you consider the headaches that can be avoided when you know exactly where your property begins and ends.	and escrow charges. . A survey made by the Department of Housing and Urban Development and the Veterans Administration revealed that closing costs vary widely across the country. They average about $558 and can run much higher, particularly for expensive properties. The survey was based only on sales involving federally insured or guaranteed mortgages, but it reflects trends in the conventional mortgage market as well. Some figures cited in the survey showed:
- fees for the preparation of the documents such as deed, mortgage, and other papers pertinent to the sale		
- closing fee	. Point out this is a charge made for handling the settlement transaction.	
- credit reports	. Lenders usually obtain credit reports on people looking for mortage money. The cost of this is usually borne by the person who wants to borrow the money.	
- termite inspection	. Many lenders request that property be checked for harmful pests before granting a loan.	
- origination fee - a service fee charged for origination of the loan. It is usually a small percent of the face value of the mortgage.	. Point out that in FHA and VA guaranteed loans the service fee can be no more than one percent of the mortgage amount. For example, if	. "All The Costs You Face in Buying a Home," Good Housekeeping, February, 1973, page 170 . "Some Breaks For Home Buyers,"

State	Average Closing Cost For Seller	Buyers
New York	$240	$645
New Jersey	$169	$592
Connecticut	$ 80	$373
California	$425	$252
Texas	$377	$105
Massachusetts	$ 76	$288
Virginia	$317	$480
Alaska	$328	$491

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	the mortgage is for $15,000 the service fee on an FHA loan or VA loan will amount to $150.	U.S. News and World Report, February 4, 1974, page 30-31
- Mortgage discount - "Points" - a one time charge made by the lender that enables him to realize a greater yield from the mortgage	. It should be made clear that charging "points" is nothing more than a method used by the lender to get a greater yield on a mortgage loan. In tight money markets lenders will attempt to get more "points" so they can make more money. The buyer should be made aware, as was indicated previously, that he, in many instances, is in a position to shop for a mortgage. When economic conditions make it a "buyer's" market then the buyer should look around for a loan where it is not required to pay "points." FHA and VA guaranteed loans forbid the home buyer from paying points. This should show why it may be difficult to obtain FHA and VA guaranteed loans. To explain how points are paid use this example. A mortgage is for $20,000 and the lender is charging three points. Each point is equivalent to one percentage point so the buyer is paying 3 percent or $600 to secure the loan. The $600 is discounted, or deducted, from the mortgage amount so the borrower only receives $19,400 but he pays back the full $20,000 over the life of the mortgage.	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
. An appraisal fee	. Indicate an appraisal is designed to determine the value of the property. In FHA and VA loans the fee is established by government regulation. . Check with a local appraisal firm to determine the charge for an appraisal in your community.	
. A recording fee - charged by the local government to record documents	. Investigate the cost of recording fees in your community.	
. State and local transfer taxes	. What is the local transfer tax?	
. Mortgage insurance premiums	. Make it clear that mortgage insurance premiums pay for insurance that guarantees the lender against loss if the borrower fails to make his payments. This type of policy should not be confused with mortgage life or disability insurance policies designed to pay off the mortgage in behalf of the borrower should he die or become physically disabled.	
. There may also be a number of miscellaneous fees to cover notary costs, inspection fees, charges for photographs of the property, a schedule of mortgage payments, and other incidental expenses payable by either the buyer or the seller.		

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
HOW DO YOU GO ABOUT SELLING A HOUSE?		
. The seller can attempt to sell the house by himself or he can employ the services of a real estate agent.	. Invite parents or others who have sold houses themselves to describe their experiences. If they were to do it again, would they employ a real estate agent?	. "Buying and Selling Real Estate," New York State Bar Association, 1 Elk Street, Albany, New York 12207
. When you undertake the selling of a house by yourself, you are in a position to save the commission that would have to be paid to a broker.		. Watkins, Arthur Martin, "The Homeowner's Survival Kit," Hawthorn Books, Inc., New York City 1971. 242 pages $6.95
. When an owner decides to sell his own house, he must be ready to		. "You can sell your House yourself if..." Changing Times, June 1972
- reduce the price because the buyer knows you are not paying a commission	. Indicate that a buyer usually exerts pressure for a lower price when a real estate broker is not involved in the sale. The buyer's rationale is "if a broker handled the sale you would have to give him a commission, so why not turn part of the commission over to me by lowering the price?"	
- accept curiosity seekers walking through your house		
- spend time on negotiating and showing prospective buyers the house		

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
- spend time and money on advertising.	. Have students prepare a classified advertisement for a house for sale. Take the advertisement to the local newspaper and determine the cost of running the ad for four Sundays in sucession.	
. When you use the services of a real estate broker you pay a percentage of the selling price as a fee. The usual fee charge is 6 to 7 percent.	. Arrange for a local real estate broker to visit the class. Have him discuss the reasons a broker should be used to sell a house. Have him outline the services offered by his firm and the commission charged for his services.	. "Dealing with a Real Estate Broker," Changing Times, April, 1959
. The advantages of using brokers are - they are experts in the field and they usually sell houses faster - being familiar with the market they might be able to get the best price possible for the house - brokers advertise the house at their own expense	. Invite a staff member who has recently sold a house to visit the class to report on his house selling activity. If he used the services of a broker have the staff member speak to the class following the real estate broker so the students can make a comparision between what a broker says he does and what he actually did for the staff member.	
- they take care of showing interested people the property - they will handle all negotiations for the sale of the house	. Indicate that brokers are in a position to screen people so they will only show the house to those people whom they feel are in the market for a house.	. Real estate brokers report that one of their big problems in the person who is not ready to buy but who likes to spend his Sundays "looking." Since this takes much of their

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
- they may be in a position to help the buyer get a mortgage.	. It should be pointed out that banks will give mortgages more readily when someone speaks up on behalf of the mortgagor. Since real estate agents can bring business to a bank they may be in a position to ask the bank to give a mortgage to a person who might not have been given a mortgage if he walked into the bank on his own.	valuable time brokers attempt to screen people so that they only take around people who are really interested in buying.
. If a realtor does not sell the house he receives no fee.		
. Sellers can arrange for multiple listing for his house. Multiple listing means more than one agent will be attempting to sell your house.	. Contact a local realtor and determine how the commission is paid if more than one agent was attempting to sell the house.	
. Another method of selling is to give a realtor an "exclusive" for a set period of time.	. Point out that an exclusive means that only one agent will be trying to sell the house. An "exclusive" usually runs 30 to 90 days. Discuss with the class which method they feel is the best - Using multiple listing or giving an agent an "exclusive."	
HOW DO YOU CHOOSE A BROKER?		
. Choose a broker who is a member of the local		. "Realtor" is a term registered with the

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
real estate board and who is licensed as a real estate broker.		U.S. Patent Office. A realtor is a member of the local real estate board and the National Association of Real Estate Boards.
. Licensed realtors are bound by a code of ethics designed to maintain honest dealings with the public.		. "Want To Sell Your House in a Hurry?" Readers Digest, October, 1965
. Information on reliable brokers can be obtained from the local bank, builders, relatives, and friends who have used the services of a realtor.		
WHAT SHOULD YOU DO IF YOU DECIDE TO SELL THE HOUSE YOURSELF?		
. Do not overprice the house		
- the services of a professional appraiser can be used to determine the value of the property.	. Contact a local firm that appraises homes to determine the criteria used in making an appraisal.	
- over-priced houses that remain on the market for an extended period are difficult to sell.		. The president of a large Philadelphia realty firm stated, "The value of your house is not what you think it is, or the buyer thinks. It is determined chiefly by the location, the neighborhood, and the current market."

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. Prepare a fact sheet about the house, giving vital statistics that include - size of house - size of lot - annual taxes - heating bills - location of nearby schools, shopping centers, houses of worship - special features of the house such as copper plumbing, insulation, etc.	. Have students who live in private houses prepare a fact sheet on their home. From the fact sheets cull all the vital statistics and facts and prepare a model fact sheet that could be used by students and their families at some future date.	
. The fact sheet should also include minor drawbacks and flaws, especially if they are obvious.	. Discuss why it is good psychology to list flaws, as well as the good points, in a fact sheet describing the house.	
. Advertise the house in the best local paper for real estate advertising.	. Indicate that people who live in smaller towns and villages should advertise in the newspapers of the nearest large city or town, as well as the local newspaper.	
. Prepare the house for prospective buyers by making repairs where needed and painting as needed. - Getting the house ready allows you to show it to the best advantage.	. Discuss why it is a good selling technique to invest in repairs and painting when you are getting a house ready for sale.	. According to T.R. Kivett, a realtor of Yucaipa, California, "there are lots of things you can do to sell a house. Paint it, if possible. Replace loose shingles or tiles. Fix the fence and trelliswork, the leaking faucets,

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
		creaking floors and loose knobs. Mow the lawn, cultivate the flower beds, prune the bushes, give your place the well-cared-for look. Remember your kitchen is the heart of the home, so keep it spotless; no dirty dishes. Women are also sensitive about bathrooms; keep them clean and orderly. Clear out the clutter in the closets, basement stairs. And if you have pets, clear them out, too."
. Sell for the best offer.	. Indicate that the asking price for a house should come pretty close to the selling price if the appraisal was realistic. This means that when the "right offer" comes you have to be prepared to move and accept. The "right" offer may be the first offer and if it is turned down, there may not be another as good.	
SHOULD YOU HIRE A LAWYER WHEN YOU BUY OR SELL A HOUSE?		
. Real estate transactions can be very complicated and the hiring of an expert, in this case a lawyer, versed in real estate transactions, will serve to protect your interests.	. Invite a lawyer to visit the class to discuss the services he can provide to a client involved in a real estate transaction.	. "Home Buyers Guide," American Bar Association, 1155 East 60th Street, Chicago, Illinois 60637

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. Some of the services rendered by a lawyer are these: - he interprets legal phrasing so that rights and obligations are understood by all parties to the transaction - conducts a title search to see that the title is clear - checks on any back taxes and assessments there may be against the property - handles all agreements regarding costs.	. Find out the normal fees charged by local lawyers for handling the selling or buying of a home.	
WHAT CAN YOU DO TO PROTECT YOUR HOME INVESTMENT?		
. Protection for your home and personal property is available through various kinds of insurance policies. The types of policies available to the homeowner are	. Interview parents and friends to gather information on home losses that were covered by insurance and those that were not. What conclusion do you draw from these case studies?	. "A Family Guide to Property and Liability Insurance," Educational Division of the Insurance Information Institute, 110 Williams Street, New York, N.Y. 10038 Free
- Standard fire insurance protects against losses from damage caused by fire and lightning.	. Ask students to contact a local insurance company for information on fire insurance coverage provided by the company. Have them determine rates to see if rates vary from company to company. In making comparisons among	. "Fire-Safety and Prevention; Disasters; Burglary and You; Are You Protected?" National Research Bureau, Inc., Employees Relations Bureau Corp., 221 N. LaSalle Street, Chicago, Illinois 60601

An attorney may save more than his fees cost.

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	rates be sure that prices quoted are for the same type of coverage.	. Filmstrip: "Patterns for Protection." Insurance Information Institute, 110 Williams Street, New York, New York 10038. 15 minutes. Color
- Fire insurance can be extended to protect against losses caused by storms, explosion, riot, aircraft damage, etc. This type of coverage is called "extended coverage."	. When checking the costs of standard fire insurance have students determine the additional premium charged for extended coverage. Also determine exactly what is covered in extended coverage.	
- Personal liability insurance protects you when someone is injured on your property. The policy also covers injuries or damage resulting from activities of your family.	. Invite an insurance agent to visit the class to discuss the various types of policies available to the homeowner. Obtain information on what is considered sufficient coverage, and how the company arrives at the amount to be paid in case of loss or injury.	
- Theft insurance protects your personal property against robbery, burglary and larceny.	. There are neighborhoods within communities where it is not possible to obtain theft insurance. Have students determine whether or not they live in such a neighborhood. If they do, have them contact the local insurance company to find out why this type of insurance will not be provided.	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
. A homeowner's insurance policy is a package policy offering all risk coverage under one premium. Homeowner policies include coverage for fire, liability, and theft insurance, plus coverage against damage from storms, water, and vandalism.	. Contact an insurance company to find out the cost of a homeowner's policy and the coverage offered by the policy. Determine the cost if each type of coverage supplied in the homeowner's policy were purchased separately. . Point out to the class that people who reside in apartments may be able to purchase a homeowner's policy to cover their apartment.	. "All-in-one Insurance for Householders," Changing Times, April 1969
WHAT IS A CONDOMINIUM?		
. A condominium may be one building or more than one building in the form of a group of row apartments, high rise buildings, attached single family structures, or a combination of any of the above. . In a condominium the individual owns separately his unit in the development.	. Check the real estate section of the newspaper for condominiums for sale. How do prices of condominiums compare with prices of homes having the same number of bedrooms?	. "Financing Condominium Housing," U.S. Department of Housing and Urban Development. Washington, D.C. 20005
. Besides owning his own apartment, the individual and owners of other units have an undivided interest in the common areas and facilities in the project.	. Explain that individuals are responsible for taking care of and maintaining their own apartments. All common areas and facilities are maintained by employees of the condominium development. For example the	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
. The common areas in a condominium include - land upon which the development is built	individual owners of a unit need not cut grass or clean common hallways, although they are assessed for these services.	
- roof of the building - hallways - lobbies - parking areas - community facilities - commercial facilities.	. Point out in addition to his mortgage payments the owner of a condominium unit must pay a monthly maintenance charge that goes for all common maintenance work (grass mowing, snow shoveling), upkeep of the interior and exterior common areas, upkeep of recreational facilities, trash removal and other services. . Write to various developers of condominium projects and ask for literature. Prepare a chart listing the various condominiums, their location, purchasing costs, and maintenance charges, and the facilities offered. Determine which appears to be the best condominium buy.	. "Condos," Everybody's Money, Credit Union National Association, Madison, Wisconsin, Summer, 1974 . A survey taken by the Urban Land Institute (ULI) showed the number one reason given for buying a condominium was being tired of paying rent. Close behind were maintenance freedom and lower cost. Other attractive features were better environment, recreational facilities and more security.
. Condominiums offer special advantages to certain groups.	. Indicate that an increasingly popular housing choice by the elderly is the condominium. Two factors, freedom from maintenance and the presence of	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	recreational facilities, are the major reasons the elderly are purchasing condominium units.	
HOW DOES THE CONDOMINIUM OPERATE?		
. The individual takes title to his unit.	. Make it clear that the individual owns the unit he lives in the same as someone owns a house they have purchased.	. Provisions for joint ownership date back to ancient Roman law; the term condominium is from the Latin words meaning "exercising domain with others." Federal condominium legislation was approved in 1961.
. Each owner of a unit has a vote in the association that administers the affairs of the condominium after the developer relinquishes control. The number of votes you have depends on how much you have invested for the purchase of your condominium unit.	. Point out that the prices for condominium units will vary within the same development. The price of a unit will depend on size, location of the unit, and other factors that would make one unit more desirable than another. The person who pays more for his unit will have more votes in the association that administers the affairs of the project.	
. Each owner pays taxes for his unit only.	. Point out that real estate taxes and mortgage interest charges are fully deductible tax items.	
. Each owner may or may not have a mortgage on his own unit, depending on his wishes and his ability to finance the purchase of his unit.		

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
WHAT FACTORS MIGHT BE CONSIDERED WHEN SHOPPING FOR A CONDOMINIUM?		
. When shopping for a condominium in a new project the following are some questions you might ask before you buy:		. Karr, James "The Condominium Buyer's Guide: What to Look for-and Look Out for-In Resort, Residential ,and Commercial Condominiums," Frederick Fell Publishers, Inc., 386 Park Avenue South, New York, New York 10016 $9.95
- Can the developer give you a firm completion date?	. Indicate this is a vital question to ask, especially in a period of tight money and rapidly increasing construction costs. Both factors can lead to substantial delays in completion dates.	
- Is there a sufficient warranty on the building?	. It must be remembered the individual owns his own unit. If something goes wrong in the apartment soon after he moves in, he will want to be sure the builder will remedy any and all problems.	
- Do all the recreation facilities promised in advertising appear in the contract?	. Point out a major selling point for the condominium is the recreational facilities offered as part of the development. You would want to be sure that the facilities being advertised were in fact going to be built.	
- Is the developer leasing back the recreational facilities to the owners,	. Look for articles dealing with the problems of condominium buying. Among the	

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making people pay rent for what they thought they owned?	problems are these: - developments promised may not in fact be present - fees for management may escalate rapidly - the character of the development may change rapidly.	
- Does the development meet with all state and exchange regulations?		
- Are there restrictive child and pet provisions?	. It should be emphasized that a great many condominiums are developed for older people. Many of these condominiums prohibit children. Indicate this does not mean children can't visit and stay with relatives; they just can't live there permanently. Determine how students feel about restrictions on children.	
WHAT IS THE HOUSING COOPERATIVE?		
. The housing cooperative is a corporation that is owned and operated by its members (called stockholders).	. Write to a local housing cooperative and obtain a copy of its "Articles of Incorporation." Go over these with the class.	. "Let's Consider Cooperatives," U.S. Department of Housing and Urban Development Washington, D.C. 20005
. The corporation owns the property and all buildings on the property.	. Compare cooperative membership with condominium ownership. Can you see why condominium ownership has had such popularity?	. "Coming Together the Cooperative Way," The New Leader, April 17, 1972

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. Purchasing a stock in a housing cooperative entitles you to a dwelling unit in the cooperative.		. "A New Look At Cooperatives," Public Affairs Pamphlet No. 487, 301 Park Avenue, South, New York 10016
. A stockholder in a cooperative does not own the apartment he lives in. The apartment is owned by the housing cooperative.		
. A cooperative's affairs are handled by an elected Board of Directors, usually residents of the cooperative.	. Attend a meeting of the Board of Directors of a local cooperative. Report on the meeting to the class.	
. Each member of a cooperative has only one vote		. For additional information on cooperatives write to The United Housing Foundation, 465 Grand Street, New York 10002.
. Cooperative projects usually contain recreational and community facilities for use of all members.	. Visit a local cooperative housing project and make a list of the recreational and community facilities that are part of the cooperative. How do these compare with similar facilities available to people who live in rental apartments and private homes?	
HOW DOES A COOPERATIVE OPERATE?		
. The Board of Directors decides matters that concern maintenance of the project.	. Invite a member of the Board of Directors of a local cooperative to visit the class to discuss the role of the Board in operating the cooperative.	

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
. The cost of stock to an individual depends upon the total cost of the project, and the size, location, and type of living unit desired.	. Obtain pricing information from a local cooperative housing project and show how prices vary depending upon size, location and type of living unit chosen. . During the discussion a distinction between cooperatives in the private and public sector must be made. Be sure to point out that prices for cooperatives in the private sector are determined by the law of supply and demand. In the public sector prices are determined by who built the project and how it was financed, and there are income limits for people who wish to become members of the cooperative.	. In cooperatives built with public assistance in the form of funds and/or tax abatements people earning more than a specified amount of money (amount depends on monthly carrying charges and size of family) cannot become members of the cooperative. If you are already a member of a cooperative and your income exceeds the legal limit for your apartment you will be required to pay a surcharge. A surcharge is an extra amount you will be required to pay above and beyond your monthly carrying charges.
. Each member stockholder signs an occupancy agreement in which he agrees to pay the cooperative a monthly carrying charge equal to his share of the sum required by the cooperative to meet expenses.		
. As operating costs vary, the monthly charges may be adjusted up or down to reflect changes.	. It should be pointed out that as conditions exist it is not likely that operating costs will be going down, but they rarely go up as high as	. The Urban Institute, a Washington-based research firm, found that cooperative operating expenses ran from 15 to 35 percent lower per

UNDERSTANDING	SUGGESTED PUPIL AND TEACHER ACTIVITIES	SOURCE
	costs in rental apartments.	unit than rental apartments.
. If a stockholder decides to withdraw, the cooperative has a 30 day option to purchase the stock from the withdrawing member. If the cooperative does not act on the option the withdrawing member may sell on the open market.	. It should be pointed out that public cooperatives always exercise their option to purchase the stock of a withdrawing member.	
. Subletting may be allowed in some cooperatives.	. Explain what is meant by subletting. Check with local cooperatives to determine their policy on subletting.	
HOW DOES THE COOPERATIVE DIFFER FROM THE CONDOMINIUM?		
. In a cooperative the mortgagor is the corporation; in the condominium the mortgagor is each individual owner.		. HUD-FHA Comparison of Cooperatives and Condominium Housing, available from the U.S. Department of Housing and Urban Development, Washington D.C. 20005
. The monthly carrying charge in the cooperative is a proportionate share of all costs including the mortgage on the cooperative; in the condominium the monthly maintenance charge is a percentage of the common estate costs. Mortage payments on the individually owned unit are paid separately by the mortgagor.		

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. Real estate taxes for the cooperative are assessed on the property of the cooperative corporation; in the condominium on the individual unit.		
. A cooperative member has one vote; the condominium member has the number of votes representing the percentage of value of his unit to the total of all units.	. Determine how students feel about the voting policies of cooperatives and condominiums.	
WHAT ARE THE HOMEOWNERSHIP ADVANTAGES TO MEMBERS OF CONDOMINIUMS AND COOPERATIVES?		
. There is no landlord profit to be paid.	. Point out that since people who live in cooperatives and condominiums are in effect "owners," their monthly costs do not include landlord profits.	. Studies made by the U.S. Department of Housing and Urban Development show that not having to pay a landlord's profit results in a reduction of 10 percent or more in monthly housing costs.
. Both cooperative and condominiums offer tax advantages to residents. Real estate and mortgage interest can be deducted from tax returns.	. Contact local cooperatives and condominiums to find out the average yearly amount their members deduct for real estate taxes and mortgage interest. Obtain the same information from people who own their own homes. How do the amounts compare?	
. There is an equity accrual where the cooperative or		

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condominium is successfully operated.		
. There are reduced maintenance costs since owners take better care of the overall property.	. Ask students to visit a local rental housing development and a local cooperative and/or condominium. Have them report on the physical appearance of each project visited. What conclusions can be drawn from their visits?	
WHAT IS A MOBILE HOME?		
. A mobile home is a complete home designed for year round living which is shipped in finished form on a structural frame, with wheels and brakes similar to a travel trailer.	. Check the local directory for listings of mobile home dealers. Write to a dealer requesting information on the homes available.	. "Mobile Homes," a pamphlet prepared by the Council of Better-Business Bureaus, Inc., in cooperation with the Mobile Homes Manufacturing Association. For a copy write to Council of Better Business Bureaus, 1150 17th Street N.W., Washington, D.C., 60631.
. It can be transported to a homesite where it is connected to the necessary utilities.		
	. Visit a mobile home park, if there is one in your community, and obtain first hand impressions as to the desirability of living in a mobile home from residents of the park. Determine the feelings of the students based on their own observations.	. "Mobile homes have a reputation for being poorly constructed, and homely. A recent report prepared by the Taliesin Associated Architects of the Frank Lloyd Wright Foundation describes the mobile home as a 'jarring intrusion on the landscape, still a 'box' in spite of improvements." Everybody's Money, Credit Union, National Association, Madison, Wisconsin
. A mobile home is designed and built for use as a permanent residence. It cannot	. It must be made clear that while a mobile home can be moved from one site to another	

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be pulled by an automobile.	it is not designed to be towed behind a car as is a regular trailer. When a mobile home is to be transported, it is transported by a specially constructed truck.	Everybody's Money has received letters from readers telling of walls that have popped out in transit and of deadly flash fires started in mobile homes. "A Nader-related group, The Center for Auto Safety, is publishing a report on mobile homes later this spring. The group took up the study because of complaints from owners. The most frequent gripe, according to director Lowell Dodge, concerned poor construction, and in particular, leaky roofs. One woman, he said, had logged how many gallons of water she collected during each rainstorm. Another consumer complained of wind leaks: 'A Kleenex held in front of the electrical outlet would blow horizontally.'" Everybody's Money, Spring 1974, Credit Union National Association, Madison Wisconsin

There's no place like home.

WHAT ARE THE SIZES AND TYPES OF MOBILE HOMES? . Mobile homes are available in a number of lengths. Due to the fact that they must be transported over the highways, widths are usually restricted to 12 feet.	. Point out that many states have laws regulating length as well as width of mobile homes that can be moved on highways. For this reason the	. Buying and Financing a Mobile Home," U.S. Department of Housing and Urban Development. Can be ordered from Consumer Information, Public Documents Distribution Center.

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- single wide - A single unit 12' wide by 65' long having 744 square feet of living space is a popular size.	3-foot towing hitch is usually quoted in the overall dimensions of the home. The 3 feet should be excluded when measuring actual living space.	Pueblo, Colorado 81009
- expandable - have "additions" which telescope inside the home during highway movement. "Additions" can add up to 100 square feet of additional living space.	. Measure the dimensions of every room in your home or apartment, and get the total square footage of living space. How does this compare to the living space in a single unit? expandable, or double wide unit?	
- double wides - Two single units built and towed separately to the site and there joined together to make one living unit. The two parts can be separated if towing to a new location becomes necessary.	. It should be made clear that local zoning regulations have much to do with the types and sizes of mobile homes available in any specific place. Contact a local mobile home dealer and ask him to outline the local zoning regulations dealing with mobile homes.	
WHAT IS INCLUDED IN THE BASIC PRICE OF A TYPICAL MOBILE HOME?		
. A typical mobile home contains - a living room - complete kitchen with appliances - a dinette - one or two bathrooms - one, two, or three bedrooms	. Visit or write to a dealer of mobile homes and obtain prices and descriptive literature for the models available. How do the prices compare with the prices for regular houses?	. "Mobile Homes," Family Economic Review. Consumer and Food Economics Institute, Agricultural Research Service, U.S. Department of Agriculture, December, 1972

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- cabinets and closets - heating system - water heater. . Most mobile homes are sold completely furnished and decorated.		. Most mobile homes are built to established national standards. The standards were developed by the American National Standards Institute (ASNI) and are called ASNI Standard A119.1 for mobile homes. ASNI A119.1 has been designed to protect the safety and health of the mobile home owner. Mobile homes financed through the FHA or the VA must be built according to ASNI Standard A119.1.
. Optional equipment that can be purchased includes air-conditioning, laundry equipment, dishwasher, garbage disposal unit, and central vacuum cleaning systems. . Mobile homes can be obtained for gas or electric operation.	. Obtain information on the cost of the optional equipment listed and determine how much would be added to the cost of the home if everything listed was purchased.	. "Even though you can easily buy a coffee pot or electric knife with a one-year warranty, the general policy of the mobile home industry is to warrant their products for only 90 days after delivery. Some companies have one-year warranties, which are required if you finance the home with a VA or FHA loan.
. Other extras that could be purchased include - steps with handrails - skirting to conceal wheels - supports to provide a foundation that will hold the home stable and level.	. Indicate that the use of extras is designed to make the mobile home look less a mobile home and more a permanent structure. For example, many mobile home parks require skirting around the base of the mobile home.	. "The appliances in the home are under the warranty of each manufacturer. Terms may run to five years." Everybody's Money, Spring 1974
WHERE CAN YOU PUT A MOBILE HOME? . Mobile home parks	. Point out there are more than 15,000 mobile home parks in the United States. Check with a mobile	. New York State has passed a statute affecting the right mobile park owners have to evict park

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	park in your area and obtain information as to rent for a site for the different types of mobile homes. Also determine whether the park has rules dealing with the appearance of the mobile home.	residents. Under the law the owner must show cause and the statute restricts eviction to cases where the tenant defaults in his rent, goes bankrupt, uses the premises for illegal business, breaks the terms of the lease, or persistently violates park rules. From Consumer Reports, October, 1973
- Mobile home parks have available to tenants hook-ups for water, gas, electricity, and waste systems.	. Check with a mobile home dealer for the cost involved in transporting a mobile home.	. "Because of a negative public attitude toward mobile homes, finding a good park is often difficult. Strict zoning laws and building codes restrict parks to certain areas. And local laws may prohibit you from placing your home on your own land. As a result, mobile home families are often forced to live in overcrowded, rundown, poorly located and poorly kept locations." Everybody's Money, Spring 1974
. A mobile home can be placed on your own lot. When it is placed on your own lot it is necessary to provide for gas or electricity, sewage, and water systems.	. It should be emphasized that it is vital to check local zoning regulations before a mobile home is placed on your own lot. Many communities forbid the use of mobile homes in any area other than a mobile home park. Check to see what the zoning regulation for mobile homes is in your community.	
CAN YOU FINANCE THE PURCHASE OF A MOBILE HOME?		
. Financing a mobile home can be done in the same manner as financing an automobile.	. Check with local banks or savings and loan associations to determine their policy towards making mobile home loans. If they do	. "Your initial outlay for a mobile home will no doubt be a lot less than if you buy a conventional home. A mobile home costs as little as

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. Financing can be obtained from local lending institutions. The U.S. Department of Housing and Urban Development (HUD) will insure loans made for mobile homes if certain conditions are met - the maximum dollar amount insured is $10,000 for single units and $15,000 for double units - maximum term of loan is twelve years for a single unit; fifteen years for two or more units.	make mobile home loans, get information as to the conditions under which a loan would be granted.	$6,000 to $7,000 or as much as $20,000 or more. "But initial price isn't the only consideration. It's a commonly accepted fact that whereas a conventional home appreciates in value, largely because of the land it sits on, a mobile home depreciates. Eventually, the buyer of a conventional home usually ends up with considerable assets, while the mobile home buyer does not." Ibid . "Mobile Home Financing Through HUD," available from U.S. Department of Housing and Urban Development, Washington, D.C.
WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF MOBILE HOMES.		
. The most significant advantage of the mobile home is its price. - mobile homes can be purchased for less than $10,000 for a single unit.	. Price is such a significant factor that more than 20% of all new housing units built are mobile homes. . Compare the price of a fully equipped single unit mobile home with the price of a two bedroom one family house in your community. . Point out the total cost of a mobile home is lower because	. The 1970 Census of Housing showed that twice as many mobile homes were located in rural areas as opposed to urban areas; most of the mobile homes were located in the southern and western parts of the country; 30 percent of the mobile homes were owned by people 25 years of age and less; only 2 percent of the mobile homes housed families of four or

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	the mobile generally has a smaller floor area and because the sales price does not include the price of the lot.	more and only 1 percent of the homes were owned by people earning more than $15,000 a year.
. Mobile homes can be transported to a new site should the owner decide to relocate. . A disadvantage of the mobile home is that it tends to depreciate rapidly. - This results in lower resale value.	. Discuss what type of person is likely to purchase a mobile home. Have students give their reaction to mobile homes as a permanent living arrangement. . Check with a mobile home dealer and make comparisions between the price of a new home and a used home.	. "For a lot of families a mobile home is the answer to the high price of housing. "It's estimated that the industry now accounts for 67 percent of all new single family dwellings selling for under $25,000 and almost all the market below $15,000." Everybody's Money, Spring 1974, Credit Union National Association, Madison, Wisconsin . "A mobile home vs. a house: How the Costs Compare," Changing Times, January 1971
. Many communities, particularly those in metropolitan areas, prohibit mobile homes or they are severely restricted. . Mobile homes tend to be less satisfactory for large families than apartments or houses designed for the same size family.		
WHAT ROLE DOES GOVERNMENT PLAY IN PROVIDING HOUSING?		
. Housing help by government (Federal, state, and local) ranges from "public housing" for the working poor and welfare families to rent-subsidizing housing for "moderate" and "middle income" families.		. "Housing is Everyone's Problem." Ibid

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. To be eligible for public housing help one must be below the poverty level.	. Check with local housing agencies to find out how eligibility for public housing is determined	
. To be eligible for moderate income projects, earnings cannot be more than 35% in excess of what a person in public housing earns.		
. To be eligible for middle-income housing, total income cannot be more than six or seven times the rent or carrying charges of the apartment.	. Prepare a list of all public, moderate income and middle-income developments in the community. Include in this listing location, rental or carrying charges (if it is a cooperative), and how to go about making application. This listing could be duplicated and distributed.	
WHAT ROLE HAS THE FEDERAL GOVERNMENT PLAYED?		
. The Federal government has a continuing program of public housing financing, construction, and management.		. "The Housing Problem Symbolized," Citizens' Housing and Planning Council of New York, Inc.,20 West 40th Street, New York, New York 10018
. Government insured loans enable low and moderate income families to purchase their own homes.		
. Rent subsidies allowing low income people to lease apartments in private buildings are available through local government.	. Contact the local housing authority to find out if your community operates a program of leased housing in privately owned buildings that is	

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	paid for with a subsidy from the Federal government.	
- Subsidies under this program are also available to low-income families who want to purchase their own home.	. Have pupils inquire whether their parents or friends have received government help to purchase homes. If so, what were their experiences with this help?	. Information about subsidy programs can be obtained from the Service Center, Room B-258, Department of Housing and Urban Development, Washington, D.C. 20410. For people in small towns and rural areas information can be obtained from the nearest office of the Farmers Home Administration or by writing to the Department of Agriculture, Washington, D.C. 20250.
. Under a program called the Hope Plan, a mortgage-assistance program is available to middle-income families.		
- Under the program the Federal government pays a portion of the monthly mortgage payment for five years.		
- This help is provided only with mortgages obtained from local savings and loans associations.	. Contact a local savings and loan association to find out if assistance in this program is offered in your area.	. Information on the Hope Plan can be obtained from the Federal Home Loan Bank, Washington, D.C. 20552.
. In addition to providing various forms of financial assistance, the Federal government, under the terms of the Fair Housing Law of 1968, assures equal opportunity		. The following pamphlets dealing with equal opportunity are available from the Department of Housing and Urban Development, Washington, D.C.

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for all in housing.		. "Fair Housing Laws and Other Federal Civil Rights Laws and Executive Orders Relating to the Programs of the U.S. Department of Housing and Urban Development."
. The Fair Housing Law provides protection against the following acts, if they are based on race, color, religion, or national origin:	. It should be pointed out that the existence of a law does not necessarily mean that all discrimination in housing has been eliminated. Determine student reaction to the effect of the Fair Housing Law. Have any of them had problems of discrimination? If so, from whom were they able to obtain help?	. "Fair Housing: What It Means To You."
- refusing to sell or rent to, deal, or negotiate with any person		. "Fair-Housing - U.S.A."
- discriminating in terms or conditions for buying or renting houses		. "Your Housing Rights: Live Where You Want to Live."
- discriminating by advertising that housing is available only to persons of a certain race, color, religion, or national origin		
- denying that housing is available for inspection, sale, or rent when it really is available		
- persuading owners to sell or rent housing by telling them that minority groups are moving into a neighborhood.	. Point out that the term used to describe this action is called "blockbusting." Explain how blockbusting can be used to make huge profits.	
- denying or making different terms or conditions for home loans by commercial lenders such as banks, savings and loan		

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associations, and insurance companies		
- denying to anyone the use of or participation in any real estate services such as brokers' organizations, multiple listing services, or other facilities related to the selling or renting of a house.	. Discuss how multiple listing services can help in the selling or renting of a house or apartment. Have students visit a local real estate office to secure copies of multiple listing offerings available.	
. Complaints, under the law, can be made in any of three ways.		. The regional office for HUD dealing with New York State is located at 26 Federal Plaza, New York, New York 10007. Area offices are located in New York City and Buffalo. For the address of the area office look in the telephone directory under Federal Housing Administration.
- The complaint can be made directly to HUD.	. When making a complaint to HUD it should be addressed to Fair Housing c/o of the nearest HUD regional office or to Washington, D.C.	
- The individual can take court action by taking the complaint directly to the U.S. District Court, or state, or local court.	. Emphasize that complaints taken directly to court must be made within 180 days of the alleged discriminatory act.	
- Complaints may also be made to the office of the Attorney General.	. Invite a representative of local HUD office to visit the class to discuss the Fair Housing Law.	
WHAT IS NEW YORK STATE DOING IN THE FIELD OF HOUSING?		
. The New York State Division of Housing and Community Renewal administers a comprehensive		

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program of technical and financial assistance for community development of housing.		
. Any municipality desiring assistance under a program administered by the Division of Housing and Community Development must do so at its own initiative.	. Have students check with the local housing authority to determine what housing programs have been or are being built with state aid.	. "New York State Housing and Community Development Programs," pamphlet available from the Division of Housing and Community Renewal, Two World Trade Center, New York, New York 10047
. Middle-income housing in the state is developed under the Limited Profit Housing Companies Law and the Limited Dividend Housing Companies Law.		
- The Limited Profit Housing Companies Law, popularly known as the Mitchell-Lama law, enables sponsors of rental and cooperative housing to receive long-term low interest mortgage loans of up to 95 percent of a project's cost.	. Make it clear that the state does not build the housing but the terms of the law provide incentive to private sponsors and non-profit organizations to build middle-income housing. . Have students prepare a listing of the Mitchell-Lama developments in your community. Make a comparison of the rentals or carrying charges in Mitchell-Lama housing projects with the charges for similar housing in the private sector.	
- The Limited Dividend Housing Companies Law grants private builders tax exemptions and condemnation	. Discuss why the power of condemnation is important when a builder is trying to put together a parcel of land upon which to build.	. This program, while still on the books as law, has not been used in recent years, having been superseded by the Limited Profit Housing Program.

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power to encourage the building of middle-income housing. In return the builder agrees to limit the profit on his investment.		
. The Capital Grant Low Rent Assistance program provides low-income families with housing in regulated middle-income housing developments.		
- Under the program the state Housing Finance Agency sublets apartments, in middle income developments, which it rents to low-income families at rentals approximating prevailing public housing rents in the same community.	. Indicate that any Mitchell-Lama project built since January 1, 1965, is required, as a condition of their Mitchell-Lama assistance, to accept Capital Grant families if the commissioner of Housing and Community Renewal asks them to.	. Powledge, Fred, "New York State's Capital Grant Program - Low Income Families in Middle-Income Housing," available from Citizens' Housing and Planning Council of New York, Inc., 20 West 40th Street, New York 10018
- Under the program families must pay at least 20 percent of their income for rent. - As a family's income increases, the amount of the rent supplement being paid by the state decreases.	. Almost all of the families receiving assistance under the program reside in projects in New York City. Have students check with the local housing authority to determine how many such families there are in your community. If the answer is "none" attempt to find out the reason why.	. In an article in the Journal of Housing, January, 1974, it is reported that a total estimated value of more than half a billion dollars in low- and middle-income housing construction was begun, continued, or completed through state-administered programs during 1973.
- Presently, under the law, Vietnam veterans receive preference.	. Have students check with the Housing Finance Agency to find out what chance a low-income	

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	family has of receiving Capital Grant Low Rent Assistance if no member of the family is a Vietnam veteran.	
. The Housing Development Fund encourages the construction of low income housing by granting interest-free loans to qualified nonprofit housing corporations to cover architectural, legal, and other preliminary development costs incurred prior to the availability of mortgage funds.		
. The state sells voter-approved public housing bonds to finance low rent public housing programs.		
- The state grants local housing authorities an annual cash subsidy to make up the difference between the rents collected and the cost of operating the project and debt retirement. The community matches the state's subsidy through real estate tax exemption and with cash, if necessary.		
. The state is also involved in the Urban Renewal program under the Federal Title I Program.	. Check with local housing boards to determine what urban renewal projects are being developed in the community. Find out how a family can become eligible for an apartment in an urban	. "Programs for Urban Growth." New York State Division of Housing and Community Renewal. Available from the Research and Information Bureau, New York State Division of Housing and Community Renewal,
- The Federal government pays three-quarters of an urban renewal project cost		

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and the state pays up to one-half the balance. Local funds pay for the balance. The local, state and Federal contributions make up the difference between the cost of acquiring and clearing an area's slum properties and the lower price for when the cleared site is resold to developers.	renewal project . The planning of an urban renewal project usually generates much debate. If a community is involved in such a debate, invite a proponent and opponent of the project to visit the class to discuss their viewpoints.	393 Seventh Avenue, New York 10001
. Under the New York State HOPE (Home Owners Purchase Endorsement) program loans are made to people who do not have the money to purchase stock in cooperative housing developments.		. For detailed information on the HOPE program contact the New York State Housing Finance Agency. Check local telephone directory for address.
. In addition to the programs providing assistance for the building of housing, the state has a number of codes designed to insure the utilization of sound construction that will make housing safe and comfortable for the occupant.		
. The State Building Construction Code sets standards of what building construction materials should meet and allows the use of any materials that meets these standards.	. The State Building Construction Code is accepted voluntarily by municipalities. Check to see if your community requires builders to abide by the code. If so, obtain a copy of the code and go over its provisions in class.	

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. The State Model Housing Code is a guide to municipalities in meeting the housing regulations under the Federal and State urban renewal and housing programs. The code sets standards for the maintenance and occupancy of homes and apartments, hotels and motels, mobile and recreational homes and home parks, and migrant housing premises.	. Obtain a copy of the Model Housing Code and go over the provisions with the class. Discuss how the code affects each individual.	
. The Mobile Homes Code governs the construction and installation of mobile homes and establishes state standards similar to those that protect residents of conventional housing under the State Building Construction Code.	. The Mobile Home Code became effective in 1974. It applies to new mobile homes sold, offered for sale, or moved into New York State. Mobile homes purchased prior to 1974 and located in New York State are not subject to the regulations.	
. The New York State Division of Housing and Community Renewal is responsible for the administration of the State's residential rent control laws outside of New York City.		. Refer to page 31 for discussion on rent control
WHAT IS BEING DONE TO PROVIDE ADEQUATE HOUSING FOR ELDERLY?		
. Many of the nation's elderly live in less than adequate housing.		. A report by the Department of Housing and Urban Development indicates that "Over 1.6 million elderly live in housing that lacks basic plumbing facilities. They pay

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		a disproportionate percent of their fixed incomes for rent or homeownership costs."
. Federal programs to insure adequate housing for the elderly include - liberal mortgage insurance for privately-financed housing		. "A Report to Older Americans," U.S. Department of Housing and Urban Development, Washington, D.C. . Retirement homes and hotels," Changing Times, March 1973
- help to local housing authorities to provide for the elderly in public housing projects	. Determine if your community has any programs to help the elderly secure adequate housing. If such programs are in effect find out how a person can become eligible for the program.	
- subsidies to bring down mortgage interest rates		
- rent supplements.	. Invite a senior citizen to the class to discuss the problems the elderly face in securing adequate housing.	
. The Federal government offers loan guarantees to provide for the building of nursing homes.		. Under Section 232 (Nursing Home Insurance Program) of the National Housing Act the Federal government will guarantee mortgage loans, up to 90 percent, for the building of new nursing homes or for rehabilitation projects involving existing nursing homes.

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. New York State, under the provisions of the Emergency Tenant Protection Act of 1974, allows cities, towns, and villages to grant exemptions from rent increases to people over the age of 62 where the annual income is $6,500 or less a year.		
. The Empire Housing Foundation, established by the state in 1967, is designed to stimulate participation by non-profit sponsors in state programs to provide housing for the aged.	. Contact the office of the State Housing Commissioner to find out how successful the Empire Housing Foundation has been in promoting the building of housing for the elderly.	
. Government on the local level is also involved in providing adequate housing for the elderly.		. Information on housing for the elderly in your community can be obtained from the local housing authority.
. New York City has specially designed apartments for the elderly. Special features of these apartments include non-skid tile floors in bathrooms, automatic shut-off devices on gas ranges, grab-bars over bathtubs, windows which can be raised or lowered easily, electric outlets located 24 inches above the floor, and extra large radiators to provide more heat in winter.	. Emphasize that the demand for specially designed apartments in New York City far exceeds the supply. If specially designed units are not available, the elderly who qualify will be housed in standard apartments.	. For detailed information on housing for the elderly in New York City write to the New York City Housing Authority, 5 Park Place, New York, N.Y. 10007

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WHAT SHOULD YOU KNOW ABOUT BUYING A VACATION HOME?		
. More than 2 million Americans own a vacation home in addition to their year-round residence.		. "Vacation Homes - A Boom With Pitfalls," U.S. News and World Report, August 14, 1972
. The turning of rural land into vacation communities has become a multibillion dollar business.		. Buying vacation land-nine ways not to get stung," Changing Times, August 1973
. Most vacation homes are sold through sales presentations in your home community.	. Discuss the dangers involved in buying a vacation home hundreds, and in some cases thousands, of miles from your year-round residence.	. Buy a vacation place all your own?" Changing Times, August 1971
. The sales techniques most used to promote vacation home sales involves the offering of free dinners and free trips to the vacation home site for the prospective buyer.	. Discuss the psychology of giving someone something for nothing as a selling technique. Have students indicate how they would feel about making a purchase if the seller provided him with a free trip to the vacation home site.	
. According to the U.S. Office of Interstate Land Sales, some unfair tactics used by uncrupulous land developers include		
- misrepresenting the present and future value of a piece of property		
- exaggerated promises of refunds to unsatisfied customers	. Indicate that many developers require you to come to the vacation	

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	home site to obtain a refund. In some instances the site might be so far from your home it would cost you as much to get there as you left for a deposit.	
- misrepresenting the availability of sewers, roads, schools, water, etc.		
- failure to keep verbal promises about future improvements to a development such as a golf course or swimming pool	. Emphasize the importance of having everything that is offered or promised written in any contract that is signed.	
- "baiting" customers with inexpensive lots and then pressuring them into buying a more expensive property	. Explain how "bait and switch" op rates.	
- encouraging customers to waive rights to a 48 hour cooling-off period when they can cancel a purchase.	. It should be made clear that a buyer should never waive his or her rights when making a purchase. The cooling-off period, which is required by law, is designed to give a person time to think over his actions away from the pressure being exerted by an overzealous salesman.	. HUD reports that the 48-hour cooling off waiver may be written into a contract; so it is very important to read the contract before it is signed.
HOW CAN YOU PROTECT YOURSELF WHEN YOU BUY A VACATION HOME?		
. Obtain a copy of the "Property Report, contract, and other	. Check the real estate sectio for leads on vacation home	. The head of the Federal Office of Interstate Land Sales

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pertinent documents and take them home to read.	communities. Write to the developer and obtain a copy of the "Property Report" and other pertinent documents. Go over this information with the class.	Registration reported that "thousands are cheated... only the tip of the iceberg is just now beginning to be seen. Thousands of people every week are being misled or cheated when buying lots for recreational, retirement or investment purposes."
. Don't make any hasty decisions.	. Indicate that one pressure tactic used is to indicate that the home you are interested in might not be available tomorrow.	
. Check with HUD's Office of Interstate Land Sales for further information about a development.	. Make a list of vacation home developments from the real estate section and write to the Interstate Land Sales office for information on the developments.	
. Get legal advice if the investment is sizeable . Don't waive or cancel the 48-hour "cooling off" period.	. It should be made clear that because a developer is registered with HUD, it should not be assumed that the government has inspected or approved the project. It has not.	